

**matzikama**



*Draft  
Annual Report  
2014/15*



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## CHAPTER 1

### COMPONENT A: MAYOR'S FOREWORD

Dear Stakeholder and citizen of Matzikama Municipality

I am grateful for the opportunity to share with the stakeholders and in particular the citizens of Matzikama Municipality the report that reflects the annual performance for this municipality. The responsibility conferred on me as the Executive Mayor of Matzikama Municipality to reflect this municipality's progress in terms of its Constitutional obligation is necessary especially to our citizens and partners responsible for the effective and efficient functioning of this organization. The vision of Matzikama Municipality is to make Matzikama a *“safe and joyful place where a healthy, educated, informed and compassionate community share in the welfare”*



To give effect to the vision and mission of the municipality, the following seven strategic objectives was developed, approved and adopted:

1. Facilitate development and growth of the local economy of the Matzikama municipal area with the intent to create opportunities that will reduce poverty and unemployment
2. To expand and grow the Matzikama Municipality's Internally Generated Funds (IGF) to promote long-term financial stability
3. To promote a transparent and caring Municipality that is accountable to its citizens
4. To promote access to adequate, affordable and well maintained municipal basic services
5. To facilitate the development of an environment that maximise the social well-being of the citizens of the Matzikama especially the poorest of the poor and other vulnerable groups
6. To capacitate all communities to participate in the development processes of the Municipality
7. Promote responsible and accountable usage of the Municipality's spatial environment to sustain the natural and built assets

I am delighted to share with you that for the first time, since the establishment of Matzikama Municipality, an unqualified audit report without findings - a manifestation of a clean administration – was bestowed upon the Municipality by the Auditor General. My sincere gratitude go out the acting Municipal Manager, Mr Mark Bolton, and the rest of the personnel for this major achievement. My humble request is that you persist with your hard work to maintain this high level of administration. I am equally delighted to report to report that different Infrastructure projects was launched and successfully completed. One of the major projects was the upgrading of Bultstreet and the completion of the Vredendal-North Sports Complex. Many

challenges still exist in housing therefore we are grateful for the Right of Development (ROD) approval of both Vredendal-North and Klawer, with 268 sites serviced in Klawer for future housing projects.

In terms of looking after our environment we are delighted to have started our recycling project together with TEDCOR and Empower Waste. The Ebenhaeser Land Claim were finalised which will assist Matzikama Municipality to develop and upgrade the current infrastructure in Ebenhaeser. The Doringbay Abalone project created more than 50 permanent job opportunities in Doringbay which benefitted the community that is highly dependent on crayfish quotas.

Despite the challenges experienced over the year under review, I would like to express my sincere gratitude to all councillors, officials, citizens and stakeholders. In conclusion I would like to share my optimism with respect of the future of Matzikama Municipality with all stakeholders and citizens of Matzikama Municipality.

**PATRIC BOK**

**EXECUTIVE MAYOR**

## COMPONENT B: EXECUTIVE SUMMARY



### 1.1 Municipal Manager's Overview

The annual report reflects a Municipality's recent history and is extremely valuable because it represents a record of the Matzikama Municipality's performance for 2014-15 financial year under review.

This report is a demonstration of good governance underpinned by responsible and effective leadership from both political and administrative perspectives. This annual report bolstered by the audit report for the same year is a reflection of hard work and persistence by the management of the Municipality. Changes in the running of the organization and appropriate oversight by both spheres of management are evident of the correct tone at the top. Management, the leadership and those charged with governance contribute throughout the year to the credibility of financial and performance information and compliance with

legislation by ensuring that adequate internal controls are implemented

To this end, the annual report also includes our auditor's report, which provides assurance on the credibility of the financial statements and the annual performance report as well as on the auditee's compliance with legislation. For the first time Matzikama Municipality received an unqualified audit without findings - a manifestation of a clean administration - despite all the shortcomings the organization faced throughout the year under review. This is a major improvement in the management of the organization and I am confident that we can build on this achievement.

The financial position of the municipality improved to the extent that the municipality's budget are now cash backed and conditional grants are utilized within the conditions attached to the grant. Key financial – related policies was reviewed and redrafted during the budget process in order to improve financial performance and strengthen governance. The municipality can now contribute to its capital budget to fund infrastructure projects and improve service delivery. The municipality received an unqualified audit opinion for the financial year under review by the Auditor-General which is indicative inter alia of sound financial management by the municipality.

The municipality has a shared risk management model used by municipalities in the west coast district and an annual risk assessment was completed to pro-actively manage risk to achieve predetermined objectives. Despite financial improvement, the northern section of the municipality previously managed by the West Coast District Municipality remains a challenge due to the vast area of more than 7000 km<sup>2</sup> it covers and cross subsidization that comes with poorer communities. Amidst the challenges and constraints Matzikama Municipality faced throughout the year under review, the following highlights were achieved:

1. The IDP, Budget, SDBIP and performance indicators are fully aligned to ensure organizational objectives meets community needs.
2. The IDP ultimately enhances integrated service delivery and development and promotes sustainable communities.

3. Through Local Economic Development initiatives, Matzikama Municipality officially launched the first black/community owned Abalone farm in the country and two, launched a plastic recycling and manufacturing facility that is co-owned by the workers.
4. 268 sites were serviced in ward 6 to address the housing needs of the community.
5. EPWP projects were successfully completed which also resulted in temporary jobs being created.
6. The average payment rate improved from around 74% in the previous year to 99% for the year under review.

I would like to extend my sincere gratitude and appreciation to all staff and council for their dedication and contribution to deliver on the municipality's vision.

**MARK AC BOLTON**

**MUNICIPAL MANAGER (acting)**



## 1.2 Municipal Overview

This report addresses the performance of the Matzikama Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2014/15 Annual Report reflects on the performance of the Matzikama Municipality for the period 1 July 2014 to 30 June 2015. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the municipality must prepare an Annual Report for each financial year.

### 1.2.1 Vision and Mission

The Matzikama Municipality committed itself to the vision and mission of:

#### *Vision*

*“Matzikama, a safe and joyful place where a healthy, educated, informed and compassionate community share in the welfare”*

#### *Mission:*

*“Provide to the wider community affordable, quality services and products through good governance and effective and sustainable utilization of all resources and infrastructure”*

### 1.2.2 Demographic Information

#### a) Municipal Geographical Information

Matzikama – (“matzi = he gives, kamma = water”) Municipality, in Southern Namaqualand is a category B municipality proclaimed in terms of Provincial Notice No. 481/2000 of September 2000. Matzikama Municipality is the result of the amalgamation of the towns of Klawer, Vanrhynsdorp, Lutzville, Vredendal, Ebenhaeser, Papendorp, Doring Bay and Strandfontein. The DMA area comprising of towns Kliprand, Bitterfontein, Molsvlei, Rietpoort, Put-se-Kloof, Nuwerus, Stofkraal and Koekenaap also falls within the municipal area.

The region is dominated by the Maskam, Gifberg, Khobee and Bokkeveld Mountains to the East. To the West lies the mighty Atlantic Ocean, with its cold Benguela current which has an impact on the unique flora of the Knersvlakte Bioregion. Southbound, the Cederberg and the rest of the Western Cape beckons.

Matzikama lies on the N7, Cape Namibia route, approximately 300km (3 hours) North of Cape Town and 1200 km from Windhoek. It can also be reached from the North (Gauteng, Mpumalanga, etc.) along the N14/R27 via Upington, N12/R27 via Kimberley and the N1/R63 via Bloemfontein and Victoria West.

Matzikama is characterized by an arid environment but is served by a life-giving arterial namely the Olifants River. The river with its associated canal systems supports a flourishing agricultural sector that is mainly built on viniculture. The population is therefore concentrated along the river. Only the villages of Vanrhynsdorp, Doring Bay and Strandfontein are not linked to the river. Doring Bay and Strandfontein are coastal towns.

### Wards

The Municipality is currently structured into the following 8 Wards:

Ward	Areas
1	Lutzville, Lutzville-West and the surrounding farms
2	Doring Bay, Strandfontein, Ebenhaeser, Papendorp and surrounding farms
3	The most northern section of Vredendal-North and surrounding farms
4	The southern section of Vredendal North as well as the eastern section of Vredendal-South and surrounding farms
5	Vredendal South and surrounding farms
6	Klawer, Trawal and surrounding farms
7	Vanrhynsdorp and surrounding farms
8	Bitterfontein, Koekenaap, Nuwerus, Kliprand, Stofkraal, Molsvlei, Rietpoort and Put-se-Kloof

Tabel 1: **Municipal Wards**

Below is a map of the Western Cape that indicates the location of the Matzikama Municipality:





Figure 1.: Matzikama municipal map

#### KLAWER

The town is located 22 km south of Vanrhynsdorp on the Cape/Namibia tourism route and developed from a railway crossing between Cape Town and Bitterfontein. Since the reduction in rail transport the agriculture sector and services industry continued to provide income to the population of Klawer. Klawer is surrounded by many farms and attracts a large number of tourists to the area to join in the agri-tours presented by the Kapel farm in the area.

#### VANRHYNSDORP

Vanrhynsdorp is the most southern and oldest town in Namaqualand. It exists since 1661. The town is also the gate way to the Western Cape, Upington, Johannesburg, Namibia, Vredendal and the coastal towns. Vanrhynsdorp is located 300 km north of Cape Town on the intersection to Cape Namibia, Namakwari and West Coast Karoo tourism routes. The economic base comprises the services and agriculture industries.

#### LUTZVILLE

Lutzville developed from a farm established in 1923 and is located 48 km west of Vanrhynsdorp on the West Coast Tourism Route. Apart from the many farming activities in the area tourism has the potential to add significantly to the economic base of the local urban economy and is linked to the wine industry, annual agriculture expo, annual wild flower season and its location on the West Coast Tourism Route. The town accommodates a large number of the workers employed by Namaqua Sands as well as farm workers and hence the low unemployment rate.



### VREDENDAL

Vredendal is by far the largest town in the area and is also centrally located rendering it the logical economic and administrative centre. The town is located 24 km east of Vanrhynsdorp on the West Coast Tourism Route.

### EBENHAESER/PAPENDORP

These two villages function as a residential settlement with very few economic activities apart from government services, farm labourers and subsistence farming activities. The villages are located on the banks of the Olifants River and play an important role in protecting the sensitive eco system of the Olifants River.

These two villages developed from a mission station founded by the Rynse Church in 1831.

### DORING BAY

Doring Bay is located on the coast line, 80 km west of Vanrhynsdorp and 15 km north of Lamberts Bay, making it ideal for tourism and aquaculture development. Both aquaculture and tourism has huge potential and can play an important role in mitigating unemployment caused by the decline of the fishing industry.

### STRANDFONTEIN

Strandfontein has been a holiday resort and retirement village since its existence. The town recorded a relatively high ranking in terms of its resource and development potential. Out of the 131 towns situated in the Western Cape Province, Strandfontein was ranked 28<sup>th</sup> in terms of composite development potential and 2<sup>nd</sup> in terms of composite resource potential. The town is located on the coast line 5 km north of Doring Bay and 75 km west of Vanrhynsdorp. The town draws many tourists and holiday makers annually and has become more sought after than ever before.

### THE PREVIOUSLY DISTRICT MANAGED AREA

The area of roughly 8 000 km<sup>2</sup> with a population of just over 7 000 people comprise of 7 different villages including Kliprand, Bitterfontein, Nuwerus, Molsvlei, Stofkraal, Rietpoort and Put-se-Kloof. Apart from livestock farming, no other major economic activity apart from retail and a few government services exist in the area. The area is basically a residential area with most of the population being unemployed. The few that is employed work for the nearby mining companies.



**b) Population**

The municipality is estimated to account 17% of the West Coast District's population of 395 137 in 2014/15.

*Total Population*

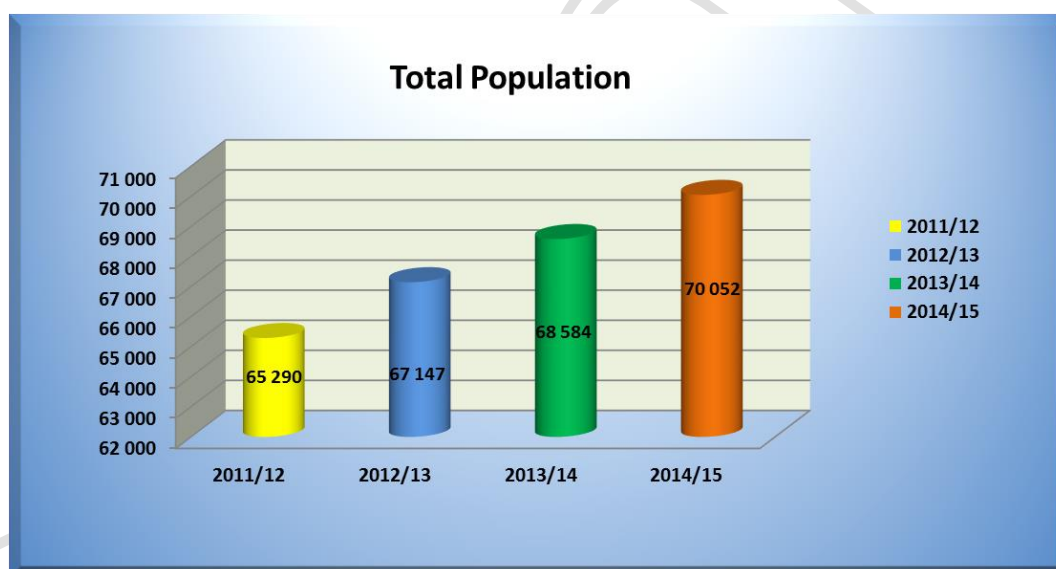
The table below indicates the total population within the municipal area:

2011/12	2012/13	2013/14	2014/15
65 290	67 147	68 584	70 052

Tabel 2: *Demographic information of the municipal area – Total population*

The population decreased with 2.09% from the 2013/14 financial year to the 2014/15 financial year.

The graph below illustrate the yearly population growth for the municipal area.



Graph 1.: *Total Population Growth*



Population per settlement type

The following table shows the overall population within the specific settlement types namely, towns, townships, rural settlements and informal settlements:

Settlement Type	Households	Population
<b>Towns/Villages</b>		
Vredendal	4 793	18 956
Vanrhynsdorp	1 820	6 543
Klawer	1 680	6 504
Lutzville	1 382	5 458
Strandfontein	92	450
Doring Bay	315	1 315
Ebenhaeser	404	1 361
Koekenaap	429	1 618
Nuwerus	193	678
Bitterfontein	231	1 029
Kliprand	38	214
Rietpoort	235	1 012
None urban areas	7 223	24 914
<b>Sub-Total</b>	<b>18 835</b>	<b>70 052</b>

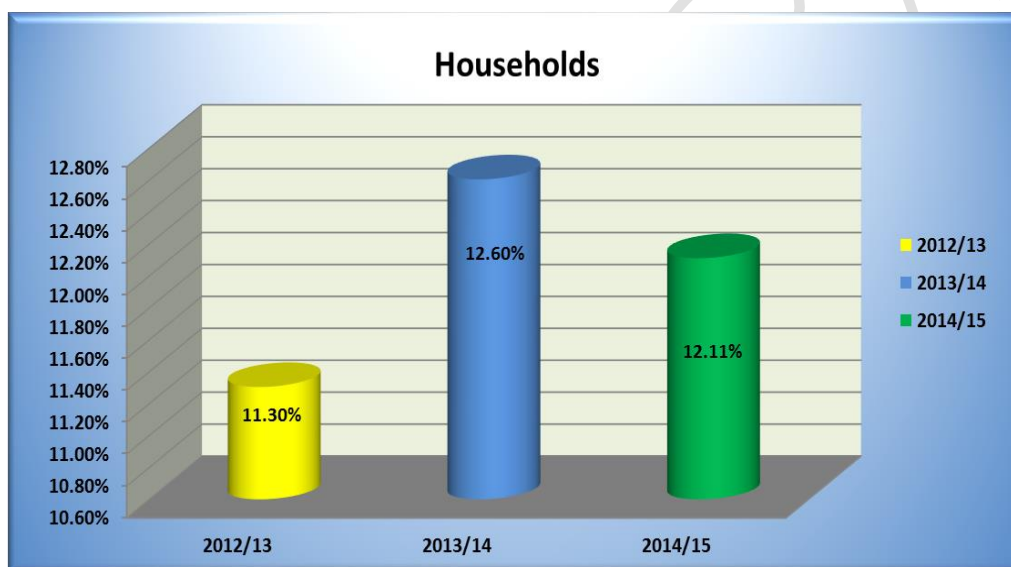
Tabel 3: Total population per settlement types

c) **Households**

The total number of households within the municipal area increased from 16 517 households in the 2011/12 financial year to a total of 18 835 households in the 2014/15 financial year. This indicates an increase of 14.03 % in the total number of households within the municipal area over the four years.

Households	2011/12	2012/13	2013/14	2014/15
Number of households in municipal area	16 517	18 835	18 835	18 835
Number of indigent households in municipal area	2 062	2 129	2 374	2 281

Tabel 4: Total number of households



Graph 2.: Total % indigent households within the municipal area

#### d) Key Economic Activities

The local economy is highly dependent on agriculture with viniculture being the primary sector. The municipality is dependent on the following economic activities:

Key Economic Sectors	Description
Agriculture	Grapevines, fruit and vegetables, livestock
Fishing	Limited to recreational and small fishing rights
Tourism	Seasonal, especially during the flower season
Mining	The municipal area is home to 10 mining companies that mine a variety of minerals, including heavy sands, rare earth minerals, diamonds, clay, salt, gypsum and lime
Manufacturing	Manufacturing comprise products including tomato paste/sauce, table grapes, wine and spirits, mineral separation (first phase of manufacturing) and dried fruit. Manufacturing in the pipeline include plastic products from waste plastics and mineral separation from rare earth minerals.
The Public Sector	The municipal area is home to ten provincial and national sector departments
The Service Sector	This sector comprise all the banks including ABSA, FNB, Standard, Nedbank, Capitec and African Bank as well as other financial service providers including Old Mutual and Sanlam. As a result of the more than 1 923 farms in the area many engineering and other support services exists

Tabel 5: Key Economic activities

### 1.2.3 Socio Economic Information

#### a) Socio Economic growth

The socio-economic information for the municipal area is as follows:

Financial year	Housing Backlog	Unemployment Rate (%)	Households with No Income (%)	People older than 14 years illiterate (%)	Urban/rural household split
2013/14	8 208	25	8	5	2.6
2014/15	6 575	16.6	8	5	2.6

Tabel 6: Socio Economic information

Natural Resources	
Major Natural Resource	Relevance to the Community
Olifants River	The only reliable source of potable and irrigation water
Climate	The agriculture sector that is dependent on the right climatic conditions is the main employment provider
Minerals	Matzikama is home to 10 mining companies which through procurement of local goods and services pumps more than a R100 million per annum into the local economy which is over and above the many jobs they created for the local communities
The ocean	Despite the dwindling fish stocks that resulted with the closure of the fishing industry along the West Coast of the Western Cape including Doring Bay the ocean still provide great potential for aquaculture development in addition to the income it provide to hundreds of small-scale subsistence fishers
The wind	Eskom identified the municipal area as an ideal location for establishing electricity generating wind farms. Despite these facilities not being able to create jobs for the local people due to the high-tech nature Communities may benefit from the available green energy
Agriculture land	The municipal area is home to high quality agriculture land (soil) that can grow almost any crop. Apart from the fact that current crop production provides sustainable livelihoods to many in the local communities it also offers opportunities to many emerging farmers
Sun (Solar energy)	Unlike wind farms solar energy creates jobs with the local community Communities may benefit from the available green energy

Tabel 7: Natural Resources

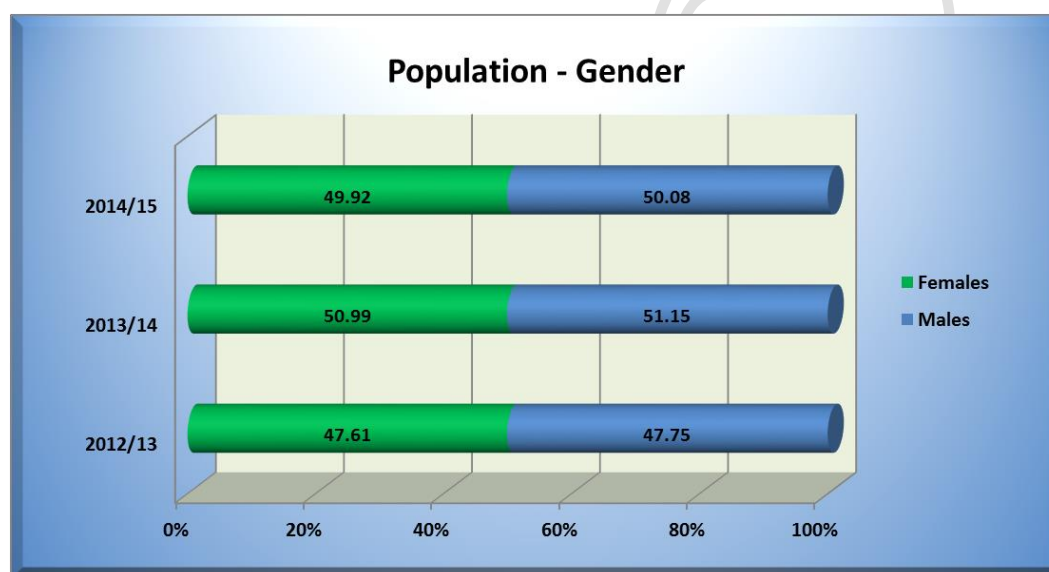
#### b) Population by Gender

Matzikama Local Municipality population is closely balanced with **49.92%** (34 973) representation of females and **50.08%** (35 079) of males in 2014/15 as shown below.

Population - Gender	2011/12	2012/13	2013/14	2014/15
Females	35 398	33 523	34 240	34 973
Males	35 017	33 624	34 344	35 079
<b>Total</b>	<b>70 415</b>	<b>67 147</b>	<b>68 584</b>	<b>70 052</b>

Tabel 8: Demographic information of the municipal area – Gender

The following graph displays the female to male ratio.



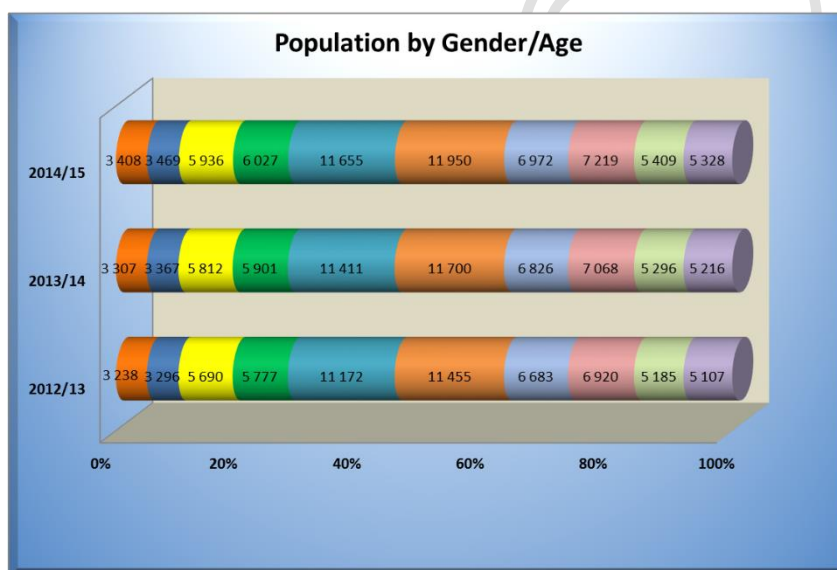
Graph 3.: Gender Population

c) **Population by Gender/Age**

Population - Gender/Age	2011/12	2012/13	2013/14	2014/15
Females aged 0 - 4	No info	3 238	3 307	3 408
Males aged 0 - 4	No info	3 296	3 367	3 469
Females aged 5 - 14	6 527	5 690	5 812	5 936
Males aged 5 - 14	6 262	5 777	5 901	6 027
Females aged 15 - 34	6 324	11 172	11 411	11 655
Males aged 15 - 34	5 353	11 455	11 700	11 950
Females aged 35 - 49	No info	6 683	6 826	6 972
Males aged 35 - 49	No info	6 920	7 068	7 219
Females aged 50 - 69	No info	5 185	5 296	5 409
Males aged 50 - 69	No info	5 107	5 216	5 328
Females aged 70 - 84	No info	1 313	1 341	1 370
Males aged 70 - 84	No info	959	980	1 001
Females aged 85+	No info	171	175	179
Males aged 85+	No info	122	125	128

Tabel 9: Demographic information of the municipal area – Gender/Age

The graph below indicates the population categories by gender/age



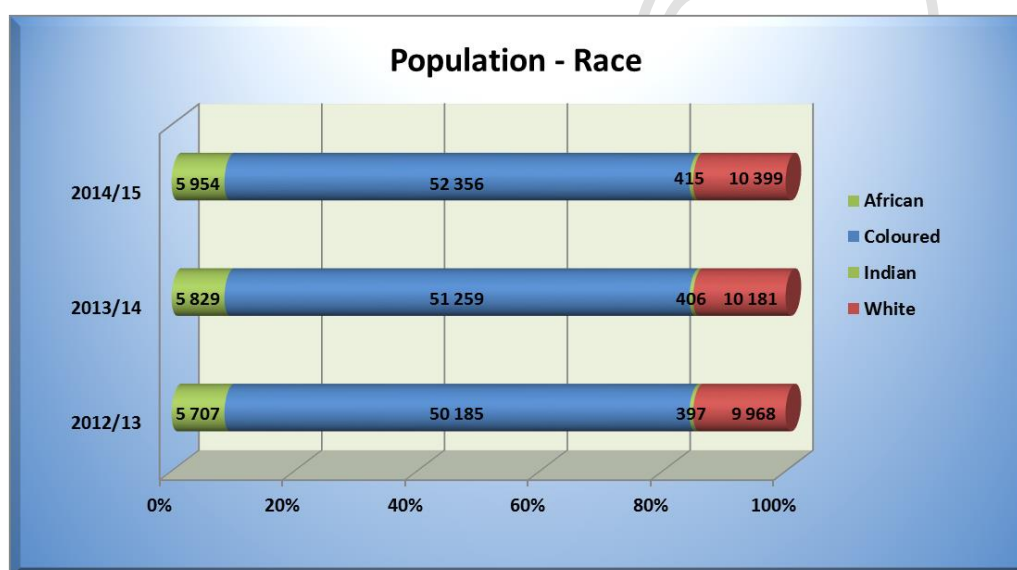
Graph 4.: Population Categories by gender/age

d) Population by race categories

Population - Racial	2011/12	2012/13	2013/14	2014/15
African	4 566	5 707	5 829	5 954
Coloured	54 275	50 185	51 259	52 356
Indian	77	397	406	415
White	11 497	9 968	10 181	10 399
Other	0	890	909	928
<b>Total</b>	<b>70 415</b>	<b>67 147</b>	<b>68 584</b>	<b>70 052</b>

Tabel 10: Demographic information of the municipal area – Race categories

The graph below shows the population by race.



Graph 5.: Population by race

### 1.3 Service Delivery Overview

#### 1.3.1 Basic Services Delivery Performance Highlights

Highlight	Description
100% Spending of Municipal Infrastructure Grant	Successful completion of various projects
90% Spending of capital budget	Successful implementation of capital budget
3.60% Reduction in electricity losses	Electricity losses reduced from 20.19% (2013/14) to 16.60% (2014/15)

Tabel 11: Basic services delivery highlights

#### 1.3.2 Basic Services Delivery Challenges

Service Area	Challenge	Actions to address
Water & Sanitation	To achieve 100% Blue & Green drop compliance	Upgrading of WWTW and WTW; Training of operators, compile the necessary technical reports etc.
Electricity	To reduce electricity losses to 12%	Do an Audit of all the electricity meters and Replacement of faulty meters. Regular inspections on meters to reduce theft
Sanitation	Not having a dedicated skilled technician	Appoint a Technician responsible for Sanitation in 2015/16

Tabel 12: Basic Services Delivery Challenges



### 1.3.3 Proportion of Households with access to Basic Services

Proportion of Households with minimum level of Basic Services		
Description	2013/14 %	2014/15 %
Electricity service connections	100	100
Water - available within 200 m from dwelling	100	100
Sanitation - Households with at least VIP service	100	100
Waste collection - kerbside collection once a week	100	100

Tabel 13: Households with minimum level of Basic Services

## 1.4 Financial Health Overview

### 1.4.1 Financial Viability Highlights

Highlight	Description
Sound financial decision-making	Through sound and disciplined financial management practices and keeping to governance ethics we managed to curb unnecessary expenditure items, reduce wasteful expenditure with specific reference to reducing water and electricity distribution losses which peaked at over 20% respectively.
Improved CAPEX	Water losses are now within the national norm and electricity distribution losses reduced to around 16.6 %. Spending on capital works improved from 62% to 90% in the year under review.
Zero loans taken-up over the year under review and short-term debt cancelled	This positive trend is further supported by not taking-up loans which are difficult to service over the medium term inclusive of getting rid of short-term debt such as overdrafts to finance operations over the year under review. No grants were utilised contrary to the DORA conditions
Slight improvement in liquidity and cash backed MTREF approved in May of 2015.	The year-on year cash deficit budget experienced in the past was meaningfully addressed during the February to April 2015 income modelling and realistically anticipated revenue exercise which culminated in a cash-backed 2015/16 to 2017/18 MTREF inclusive of keeping main services within the upper limits of the SA Reserve Bank with the exception of electricity which is outside of the control of the municipality.
Improved year-end cash balance	The main objective was to ensure sustainable basic service delivery and realistic budget setting over the long term and to ensure that expenditure is supported by the municipality's revenue generation capacity. Turn-around strategy in short were based on the principle of: "TO LEAD MEANS THAT YOU MUST GOVERN WELL"

Tabel 14: Financial Viability Highlights

#### 1.4.2 Financial Viability Challenges

Challenge	Action to address
Size of tax base, dwindling economy and agriculture sector and unemployment and declining payment rates	Expansion and development of tariff structure and service charges and strict enforcement of credit control policy and zero tolerance approach in respect of debtors able to pay for services but neglecting to pay
Management of expenditure	Strict budgetary control and strict adherence to cash-flow management and daily reconciliations inclusive of addressing wastage and abuse
Credit control, huge water consumption not paid and wasteful water usage by some lower level consumers	It's very difficult to meaningfully enforce credit control best practices when many of the sub -towns or villages are supplied with electricity from ESCOM as this situation renders the leverage of electricity to ensure that other services are also paid, almost impossible as the municipality is limited in its actions to restrict water supply and or high consumption.  This is, however, still addressed through educational programs via Ward Councillors, CDW workers and Equitable Share Support staff

Tabel 15: Financial Viability Challenges

#### 1.4.3 National Key Performance Indicators – Municipal Financial Viability and Management (Ratios)

The following table indicates the municipality's performance in terms of the **National Key Performance Indicators** required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the **National Key Performance Area** namely **Municipal Financial Viability and Management**.

KPA & Indicator	2013/14	2014/15
Debt coverage ((Total operating revenue-operating grants received):debt service payments due within the year)	15.83	25.17
Service debtors to revenue – (Total outstanding service debtors: revenue received for services)	38.30%	37.90%
Cost coverage ((Available cash+ investments): Monthly fixed operating expenditure	0.18 : 1	0.55 : 1

Tabel 16: National KPI's for financial viability and management

#### 1.4.4 Financial Overview

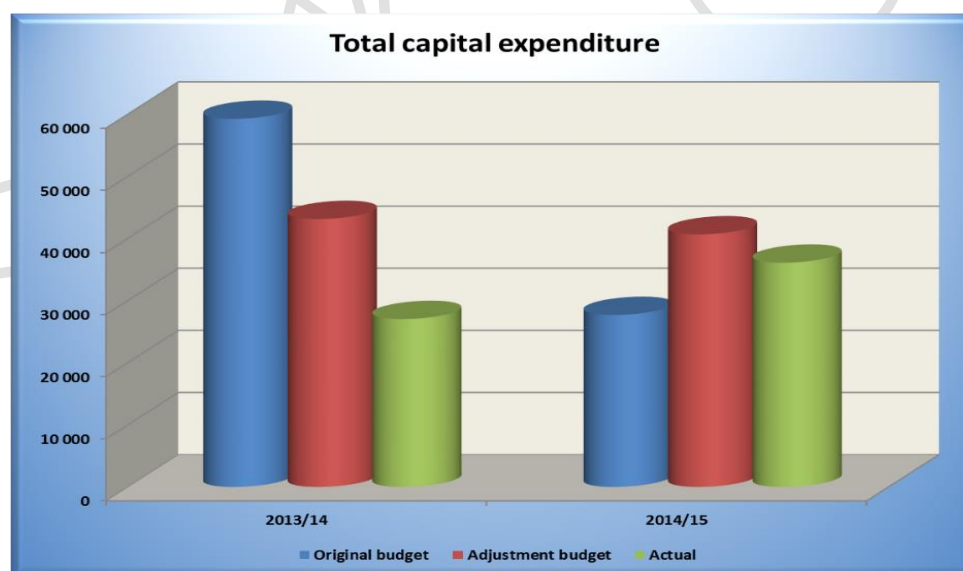
Details	Original budget	Adjustment Budget	Actual
	R'ooo		
<b>Income</b>	<b>251 621</b>	<b>260 182</b>	<b>270 601</b>
Grants	80 723	77 188	75 892
Taxes, Levies and tariffs	149 709	160 094	160 605
Other	21 189	22 900	34 105
<b>Less: Expenditure</b>	<b>226 757</b>	<b>234 313</b>	<b>225 489</b>
<b>Net surplus/(deficit)</b>	<b>24 864</b>	<b>25 869</b>	<b>45 112</b>

Tabel 17: Financial Overview

#### 1.4.5 Total Capital Expenditure

Detail	2013/14	2014/15
	R'ooo	
Original Budget	59 253	27 680
Adjustment Budget	43 124	40 649
Actual	27 027	36 091

Tabel 18: Total Capital Expenditure



Graph 6.: Total Capital Expenditure

## 1.5 Organizational Development Overview

### 1.5.1 Municipal Transformation and Organizational Development highlights

Highlight	Description
Recruitment of personnel	The successful appointment of 38 new permanent employees and the promotion of 6 employees.
Training and Development	<ul style="list-style-type: none"> <li>87.5% of the identified employees were trained.</li> <li>40 employees were identified to be trained according to the 2014/15 Workplace Skills Plan and 35 of the 40 employees were trained at the end of June 2015. There were also ad hoc training for 8 councillors and 33 employees from July 2014 till 30 June 2015.</li> <li>Discretionary grant approval from LGSETA for certain training interventions.</li> </ul>
Revision of the Clothing (in the workplace) Policy	Approved by Council on 26 August 2014.
Approval of Acting Allowance Policy	Approved by council on 29 May 2015.
Approval of the provision and usage of telephones and cell phones Policy	Approved by Council on 8 June 2015.
Health and Safety	The appointment of a Health and Safety Officer and the establishment of Health and Safety structures for the municipality according to legislation.
Implementation of a new macro organisational structure	The alignment of the macro structure according to new regulations leads to the establishment of a new Directorate Development and Town Planning Services and the alignment of functions accordingly. The new directorate start functioning from 1 July 2014.

Tabel 19: **Municipal Transformation and Organisational Development Highlights**

### 1.5.2 Municipal Transformation and Organizational Development Challenges

Challenge	Action to address
Retention of employees with required skills	Creating conditions where employees with the required skills are retained by employee development, remuneration and employee benefits.
Career advancement	The compiling of a personal development plan for every employee.
Limited budget and ad hoc training prevent many training needs on the Workplace Skills Plan (WSP) being addressed	Training budget of own funding and the grant income from LGSETA must be used to address more training needs. Better planning of the training needs by all departments for the WSP
To attract suitably qualified African candidates as well as the ability to transform the gender representation of the workforce especially in senior management positions and the departments where physical demanding work is required of incumbents.	A targeted recruitment process to ensure the correct representation in the workforce according to the employment equity plan.

Challenge	Action to address
Reducing of the number of injuries / fatalities on duty (34 IOD's and 3 fatalities in 2014/2015).	<ul style="list-style-type: none"> <li>More awareness programmes to improve safety consciousness and training programmes for employees in safe working procedures.</li> <li>Give recognition to employees and departments with zero and low incidents/accidents and most improved safety record.</li> </ul>
Reviewing of the micro structure to compliment the new macro structure that was implemented in the 2014/2015 financial year.	Appointment of a consultant through a formal bid process
The pre- & exit medical tests of employees	The appointment of a registered occupational health nurse or an agreement with an occupational health practitioner to provide a bi-monthly in-house service to employees.

Tabel 20: **Municipal Transformation and Organisational Development Challenges**

## 1.6 Auditor-General Report

A detailed audit action plan driven by the CFO and monitored by the Internal Audit Section was developed to address the issues raised by the Auditor-General and progress monitored on a monthly basis during the last quarter. The detailed corrective measures/steps were also used to improve internal controls with associated management arrangements. The latter informed the review of the Annual Financial Statements prior to submission to the Auditor-General. In terms of our PDO's targets were evaluated to prevent repeat findings inclusive of ensuring that corrective measures inform those targets not met.

Regular management meetings were held to ensure that senior management collectively strive towards and contribute to developing quality and accurate financial reports. The issue of irregular expenditure that presented itself in previous years as a direct result of not compiling adjustment budgets to appropriate additional funds, was addressed in the year under review inclusive of controls being implemented to address and achieve prudent financial management decisions.

Year	2010/11	2011/12	2012/13	2013/14	2014/15
Status	Unqualified with other matters	Unqualified with other matters	Unqualified with other matters	Unqualified with no marked misstatements, omissions or errors other than the Audit Committee that was not functional for the year under review	Financially unqualified with no other matters (Clean Audit Opinion)

Tabel 21: **Audit Outcomes**

## 1.7 2014/15 IDP/Budget Process

The table below provides details of the 2014/15 IDP/Budget process:

No	Activity	Responsible person	Date
<b>Pre-Budgeting Processes/Tasks</b>			
1.1	Finalise inputs from bulk resource providers (and NERSA) & agree on proposed price increase	CFO	No consultation was allowed
1.2	Review whether all bulk resource providers have lodged a request with National Treasury and SALGA seeking comments on proposed price increases of bulk resources	CFO	No consultation was allowed
<b>Community Participation Process</b>			
2.1	Community participation in revising the IDP ward in terms of their development needs	IDP Official	15-19 September 2014
2.2	Community participation in revising the IDP & budget – final recommendations	IDP Official	7,8,9,10,13,14,15 April 2015
<b>Budget Preparatory Process</b>			
3.1	Finalise detailed operating & capital budgets in the prescribed formats incorporating National and Provincial budget allocations, integrate & align to IDP documentation & draft SDBIP, finalise budget policies including tariff policy	CFO	January 2015
3.2	Finalise the draft capital and operating budget and budget related policies	CFO	March 2015
3.3	Note any Provincial and National allocations to municipalities for incorporation into budget	CFO	March 2015
3.4	Finalise corrective measures from audit report	CFO	February 2015
3.5	Receive bulk resource providers' price increases as tabled in Parliament or the provincial legislature	CFO	March 2015
3.6	Approval of NERSA tariffs	CFO	March 2015
<b>Budgetary Policies</b>			
4.1	Leasing of caravan sites and chalets	CFO	March 2015
4.2	Draft SCM policy	CFO	March 2015
4.3	Property rates policy	CFO	March 2015
4.4	Funding-and-reserves policy	CFO	March 2015
4.5	Credit control policy	CFO	March 2015
4.6	Debt policy	CFO	March 2015
4.7	Cash management and investments policy	CFO	March 2015
4.8	Travel and substance policy	CFO	March 2015
4.9	Tariff policy	CFO	March 2015
4.10	Virement Policy	CFO	March 2015
4.11	Budget Implementation and Monitoring Policy	CFO	March 2015
4.12	Acting Allowance Policy	CFO	March 2015
4.13	Indigent Policy	CFO	March 2015



No	Activity	Responsible person	Date
<b>Tabling Of Budgets</b>			
5.1	A1 Schedule	CFO	January 2015 March 2015 April 2015
5.2	Adjustment Budget: <ul style="list-style-type: none"> <li>Submit to mayoral committee</li> <li>Submit to council</li> <li>Submit the approved adjustments budget to the Provincial Treasury and National Treasury.</li> </ul>	CFO	January 2015 January 2015 February 2015
5.3	Adjustment Budget: <ul style="list-style-type: none"> <li>Submit to mayoral committee</li> <li>Submit to council</li> <li>Submit the approved adjustments budget to the Provincial Treasury and National Treasury.</li> </ul>	CFO	March 2015 March 2015 April 2015
5.4	Adjustment Budget: <ul style="list-style-type: none"> <li>Submit to mayoral committee</li> <li>Submit to council</li> <li>Submit the approved adjustments budget to the Provincial Treasury and National Treasury.</li> </ul>	CFO	June 2015 June 2015 June/July 2015
5.5	Submit the budget as well as the IDP to the Provincial Treasury, National Treasury and other affected organs of state	CFO	April 2015
5.6	Make public the annual budget and invite the community to submit representations	CFO	April 2015
5.7	Council must give the mayor an opportunity to respond to the submissions and, if necessary, to revise the budget and table amendments for consideration by the council	CFO	May 2015
<b>Approval Of Budget And Policies</b>			
6.1	Table final IDP and budget in Council <ul style="list-style-type: none"> <li>Submit to Mayoral Committee</li> <li>Submit to Council</li> </ul>	CFO	May 2015 May 2015
6.2	Council meeting	CFO	May 2015
<b>Finalising</b>			
7.1	Completion of Annual Budget amendments / refinements	CFO	May 2015
7.2	Place the IDP, annual budget, all budget-related documents and all budget-related policies on the website	CFO	June 2015
7.3	Make public the approved annual budget and supporting documentation	CFO	June 2015
7.4	Submit approved budget to the Provincial Treasury and National Treasury	CFO	June 2015

Tabel 22: 2014/15 IDP/Budget Process

## CHAPTER 2

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 7146 2001 and section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

KPA & Indicators	Municipal Achievement	Municipal Achievement
	2013/14	2014/15
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	62%	90%

Tabel 23: National KPIs - Good Governance and Public Participation Performance

#### 2.1 Governance Structure

##### 2.1.1 Political Governance Structure

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, Councillors are also actively involved in community work and the various social programmes in the municipal area.

##### a) Council

Below is a table that categorised the councillors within their specific political parties and wards for the 2014/15 financial year:

Council Members	Capacity	Political Party	Ward representing or proportional	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
Patric Bok	Executive Mayor	ANC	Ward 4	92	8
Delina Goedeman (deceased – 9 May 2015)	Executive Deputy Mayor	ANC	Ward 2	60	40
Willem Nell	Speaker	ANC	Proportional Representative	100	n/a
Maria Witbooi	Executive Councillor	ANC	Proportional Representative	100	n/a
Frans Bam	Executive Councillor	ANC	Ward 1	100	n/a

Council Members	Capacity	Political Party	Ward representing or proportional	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
Jacob Botha	Executive Councillor	TPICO	Proportional Representative	62	38
Elias Mqingqi	Ordinary Councillor	ANC	Ward 3	100	n/a
Christoffel van der Westruis	Ordinary Councillor	ANC	Ward 8	92	8
Yolande Cloete	Ordinary Councillor	DA	Proportional Representative	92	8
Willem Fortuin	Ordinary Councillor	ANC	Proportional Representative	85	15
Andrew Julies	Ordinary Councillor	NGP	Proportional Representative	85	15
Beulah Julies	Ordinary Councillor	DA	Ward 6	92	8
Andreas Sindyamba	Ordinary Councillor	DA	Ward 7	92	8
Johan Smith	Ordinary Councillor	DA	Proportional Representative	92	8
Rhenda Stephan	Ordinary Councillor	DA	Ward 5	54	46

Tabel 24: Council Members

The table below indicates the dates of the Council meetings and the number of reports submitted to Council for the 2014/15 financial year:

Meeting date	Number of reports submitted to Council
30 July 2014	3
26 August 2014	19
2 October 2014	23
31 October 2014	12
9 December 2014	22
14 January 2015	1
27 January 2015	8
3 February 2015	1
31 March 2015	24
28 April 2015	10
29 May 2015	14
8 June 2015	1
30 June 2015	7

Tabel 25: Council meeting dates

**b) Executive Mayoral Committee**

The Executive Mayor of the municipality, **Councillor Patric Bok**, assisted by the Mayoral Committee, heads the executive arm of the municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each Member of the Mayoral Committee is listed in the table below for the period 1 July 2014 to 30 June 2015:

Name of member	Capacity
Patric Bok	Executive Mayor
Delina Goedeman (deceased – 9 May 2015)	Executive Deputy Mayor
Frans Bam	Executive Councillor
Maria Witbooi	Executive Councillor
Jakob Botha	Executive Councillor

Tabel 26: **Executive Mayoral Committee**

The table below indicates the dates of the committee meetings and the number of reports submitted to Council for the 2014/15 financial year:

Meeting date	Number of reports submitted to Council
6 August 2014	10
16 September 2014	15
28 October 2014	10
5 December 2014	19
25 March 2015	20
21 April 2015	9
6 May 2015	4
3 June 2015	1

Tabel 27: **Committee meeting dates**

**c) Portfolio Committees**

Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise and assist the executive committee or the executive mayor. Section 79 committees are temporary and appointed by the Council as needed. They are usually set up to investigate a particular issue and do not have any decision making powers, but they can make recommendations to Council. Once their

*ad hoc* task had been completed, Section 79 committees are usually disbanded. External experts, as well as Councillors can be included on Section 79 committees.

The portfolio committees for 2014/15 and their chairpersons are as follow:

Committee	Chairperson	Section 79 or 80 Committee	Number of reports submitted to Council	Meeting Date
Special Investigation regarding transgressions of Councillors	Willem Fortuin	79	1	16 March 2015
Oversight Committee for the evaluation of the 2013/14 annual report	Andrew Julies	79	1	29 January 2015
Municipal Public Accounting (MPAC)	Andrew Julies	79	0	n/a
Selection panel for the appointment of a Municipal Manager	Patric Bok	79	0	n/a
Selection panel for the appointment of a Senior Manager directly accountable to the Municipal Manager	Municipal Manager	79	1	24 April 2015
Article 62 Appeal Committee of the Municipal Systems Act, Act 32 of 2000	Municipal Manager or Executive Mayor depending on which decision is under appeal	79	0	n/a
Financial Services	Patric Bok	80	0	n/a
Technical Services	Delina Goedeman (deceased - 9 May 2015)	80	0	n/a
Corporate services	Maria Witbooi	80	0	n/a
Community Services and Safety	Jacob Botha	80	1	18 March 2015
Development and Town Planning	Frans Bam	80	0	n/a

Tabel 28: **Portfolio Committees**

### 2.1.2 Administrative Governance Structure

The Municipal Manager is the Accounting Officer of the municipality. He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the management team, whose structure is outlined in the table below:

Name of Official	Department	Performance agreement signed
		(Yes/No)
Ruben Saul	Acting Municipal Manager	No (only acting for a period of three months)
Mark Bolton	Financial Services	Yes
Willie Conradie	Corporate Services	Yes
Jevon Pekeur	Technical Services	Yes
Jan Swartz	Community Services	Yes
Lionel Phillips	Development and Town Planning Services	No (only appointed from 1 May 2015)

Tabel 29: **Administrative Governance Structure**

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.2 Intergovernmental Relations

In terms of the Constitution of South Africa, all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another; inform and consult one another on matters of common interest; coordinate their actions, adhering to agreed procedures and avoid legal proceedings against one another.

#### Intergovernmental Structures

To adhere to the principles of the Constitution as mentioned above the municipality participates in the following intergovernmental structures:

Name of Structure
Municipals Managers Forum
Premiers Coordinating Forum
SALGA Working Groups
IDP Managers Forum
LED Managers Forum
SCM Forum
IWM Forum
IDP Indaba's
Provincial Public Participation and Communication Forum (PPPCOM)
IDP Working Group
Provincial Skills Development Forum
HR Practitioner's Forum
HR Working Group Meeting

Tabel 30: **Intergovernmental Structures**



## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16 of the Municipal Systems Act (MSA) refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget.

### 2.3.1 Public Meetings

The table below provide details of public communication and participatory initiatives employed by the municipality:

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of community members attending	Dates and manner of feedback given to community
Ward Committee Workshop	7 March 2015	2	1	14	n/a
Ward Committee Meetings – Ward 1 -8: Purpose to participate in the drafting and or revision of the IDP, as well as addressing issues concerning day to day challenges experienced by the communities	31 July 2014 12 Augustus 2014 8 – 11 September 2014 20 October 2014 January 2015 13 & 14 April 2015 12 May 2015 8 June 2015	5	0	44 ward committee members	Reported to council for attention and feedback is given to ward councillor for further communication with the communities
Ward Meetings- Ward 1 – 8: Purpose of the meeting is to enable the community members to participate in the drafting and or revision of the IDP	15-19 September 2014 7- 15 April 2015	2	7	Average of 60 members per ward	PowerPoint Presentations are used to give feedback

Tabel 31: Public Meetings

### 2.3.2 Ward Committees

The ward committees support the Ward Councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the municipality constantly strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

#### a) Ward 1: Lutzville and Lutzville-Wes

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Daniël Du Plessis	Community	8 September 2014 12 May 2015
Dirk Cloete	Churches	
Brain Claasen	Business	
Magret Kokisi	Crèches	
Serina Leukes	Community	
Lionel van Wyk	Sport	
Cedric Blaauw	Disabled Persons	
Nokuthule Mphangwa	Community	
Eddie Cloete	Sport	
Lorna Cloete	Home Based Care /Elderly	

Tabel 32: Ward 1 Committee Meetings

#### b) Ward 2: Doring Bay, Strandfontein, Ebenhaeser/Papendorp and Lutzville Wes

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Jacobus Gelandt & Sarah Hahn	CPA	No meetings held –in process of appointing new ward councillor
Pedro Engelbrecht	Doringbay Fishermen	
Janet Prins	Doringbay Development Trust	
Vernon Owies	Shool Governing Body	
Johanna Petersen	Ebenhaeser Service Centre	
Sonia Cloete	Community Papendorp	
John Wiggins	Tax Payers Strandfontein	
Micheal Arendse	Sport	
Geona Donn	Youth	

Tabel 33: Ward 2 Committee Meetings

**c) Ward 3: Vredendal-North**

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Miriam Swanepoel	Churches	24 March 2015 9 June 2015
Henriette Mtsolo	Community	
Sophia Julies	Community	
Siswe Madlingozi	Community	
Cupido Swarts	Community	
Samuel Kamfer	Disabled Persons	
Felicia Gous	Community	

Tabel 34: **Ward 3 Committee Meetings**

**d) Ward 4: Vredendal-North and South**

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Zelda Brown	Farm Workers	No meetings were held
Lenie Januarie	Dept. Community Development	
Audrey De Vries	Disabled Persons	
Kido Coetzee	Dept. Education	
George Lane	Community	
Valerie Mentoor	Community	
Saronah Kilian	Old Age	
Marquin Coetzee	SMME'S	

Tabel 35: **Ward 4 Committee Meetings**

**e) Ward 5: Vredendal**

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Lena Ghall	Community	10 September 2014 14 April 2015
Nicolaas Louw	Community	
Sharon Pool	Community	
Therese Kotze	Disabled Persons	
Wilhelmiena Coetzee	Community	
Johan van Wyk	Dept. Education	
Tollie Louw	Disabled Persons	
Esta Retief	Health Services (Clinics)	
Riaan van der Merwe	Sport	

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Pierre van Heerden	Commercial Farmers	

Tabel 36: **Ward 5 Committee Meetings**

**f) Ward 6: Klawer and Trawal**

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Dean Gelandt	Sport	19 March 2015
Katrina Swarts	Community	
Katrina Julies	Community	
Adoons Stuurman	Community	
Hermanus Zandberg	Community	
Vanessa Boks	Community	
Elzea Toontjies	Housing	

Tabel 37: **Ward 6 Committee Meetings**

**g) Ward 7: Vanrhynsdorp**

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Andreas Jantjies	Community	19 March 2015
Thomas Jenner	Community	
Johanna Kriel	Community	
Mercia Kearns	Dept Education	
Willem Beukes	Dept. Health	
Wilhelmiena Afrika	Community	
James Rosenberg	CPF	
Brinkie van der Merwe	Tourism	
Ronnie Koopman	Sport	

Tabel 38: **Ward 7 Committee Meetings**

**h) Ward 8: Kliprand, Stofkraal, Nuwerus, Rietpoort, Molsvlei, Putsekloof, Bitterfontein, Koekenaap**

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Deidre Fortuin- Molsvlei	Community	11 September 2014
Albie Pool	Commercial Farmers	
Thembele Nkwalasa	Community	
Sarah Klaase- Molsvlei	Community	

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Ricardo Kock- Stofkraal	Community	
Katriena Stuurman – Kliprand	Community	
Daleen Smith – Put-se-Kloof	Community	
Anthony van Wyk- Stofkraal	Community	
Piet Owies – Nuwerus	Community	
Dries Owies – Bitterfontein	Community	

Tabel 39: **Ward 8 Committee Meetings**

### 2.3.3 Functionality of Ward Committee

The purpose of a ward committee is:

- to get better participation from the community to inform council decisions;
- to make sure that there is more effective communication between the Council and the community; and
- to assist the ward councillor with consultation and report-backs to the community and
- ultimately to promote Government's vision of a developmental government

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the Council. These committees play a very important role in the development and annual revision of the IDP of the area.

The table below provides information on the establishment of ward committees and their functionality:

Ward Number	Committee established Yes / No	Number of reports submitted to the Speakers Office	Number meetings held during the year	Number of quarterly public ward meetings held during the year
1	Yes	1	1	3
2	Yes	1	1	0
3	Yes	1	1	3
4	Yes	0	0	1
5	Yes	0	0	2
6	Yes	3	3	1
7	Yes	1	1	1
8	Yes	1	1	1

Tabel 40: **Functioning of Ward Committees**

## 2.3.4 Representative Forums

### a) Labour Forum

The table below specifies the members of the Labour Forum for the 2014/15 financial year:

Name of representative	Capacity	Meeting dates
Cllr P Bok	Executive Mayor (Employer)	11 November 2014 3 February 2015 22 April 2015 27 May 2015 24 June 2015
Cllr M Witbooi	Executive Councillor (Employer)	
Cllr F Bam	Executive Councillor (Employer)	
Vacant	Municipal Manager (Employer)	
Mr M Bolton	Director Financial Services (Employer)	
Mr W Conradie	Director Corporate Services (Employer)	
Mr J Pekeur	Director Technical Services (Employer)	
Mr J Swartz	Director Community Services (Employer)	
Mr L Henderson	Chairman SAMWU (Union)	
Mr J Baardman	Shop steward SAMWU (Union)	
Mr V Peters	Shop steward SAMWU (Union)	
Ms E Flink	Shop steward SAMWU (Union)	
Ms H van Rooi	Shop steward SAMWU (Union)	
Ms A Dippenaar	Chairman IMATU (Union)	
Mr E Lategan	Shop steward IMATU (Union)	
Mr L van der Lingn	Shop steward IMATU (Union)	

Tabel 41: Labour Forum

## COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

## 2.4 Risk Management

To maintain an overall positive perception of the municipality and confidence in the municipality from the public and other stakeholders, well planned goals and objectives should be coordinated and achieved within the municipality. Section 62(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) stipulates that the Accounting Officer must take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent system of financial and risk management and internal control as well as the effective, efficient and economical use of the resources of



the municipality. The municipality has instituted such a systematic and formalized process in order to identify, assess, manage and monitor risks which effectively ensures achievement of those planned goals and objectives. Thus, risk management is essentially a good governance measure instituted to ensure the municipality accomplish its vision, mission and strategic plans.

The municipality has an approved risk management policy, framework and implementation plan as approved by council on 27 August 2013. The policy is reviewed annually by the risk committee and submitted to the municipal manager for approval.

The risk management function is facilitated internally by one (1) shared service officer to ensure the following functions are performed:

- Assisting Management to develop the risk management policy, strategy and implementation plan;
- Coordinating risk management activities;
- Facilitating identification and assessment of risks;
- Recommending risk responses to Management; and
- Developing and disseminating risk reports.

### **Risk Committee**

The role of the risk committee is to provide timely and useful enterprise risk management report to the Audit Committee of the municipality. This is currently being done in the form of the minutes of the risk committee that does to the Audit committee for oversight.

Further detail of the roles of the risk committee is included in the approved risk committee charter.

Name of Committee Member	Capacity	Meeting dates
Ruben Saul	Acting Municipal Manager	14 April 2015
Willie Conradie	Director: Administration	
Jevon Pekeur	Director: Technical Services	
Mark Bolton	Director: Finance	
Jan Swartz	Director: Community Services	
Lionel Phillips	Director: Development and Town Planning Services	
Willem Wium	Internal Audit	
Madell Lihou	Risk Manager	

Tabel 42: **Risk Committee**

This committee was only formally established as a separate committee in the third quarter of the 2014-15 year, and thus the reason for only 1 meeting for the financial year.

## 2.5 Anti-Corruption and Anti-Fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1)(m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

### a) Developed Strategies

Name of strategy	Developed Yes/No	Date Adopted
Anti-corruption strategy	Yes	30 May 2009
Fraud prevention action plan	Yes	26 June 2012

Tabel 43: Strategies

### b) Implementation of Strategies

Strategies to implement	Key Risk Areas	Key measures to curb corruption and fraud
Anti-Fraud and Corruption Policy	Roll out of Anti-Fraud and corruption policy to the internal stakeholders through presentations	Anti-Fraud and Corruption Policy
Ethics Awareness Programme	Roll out of Anti-Fraud and corruption policy to the external stakeholders through outreach programs	Ethics Awareness Programme
Outreach Programme on Fighting Fraud and corruption	Investigations of fraud and corruption	Outreach Programme on Fighting Fraud and corruption
Draft Whistleblowing policy	Monitoring the recommendations with regards to disciplinary, criminal and recovery actions	Draft Whistleblowing policy

Tabel 44: Implementation of the Strategies

## 2.6 Audit Committee

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must -

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control;
- risk management;
- performance Management; and
- effective Governance.

**a) Functions of the Audit Committee**

The Audit Committee have the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003 and the Local Government Municipal and Performance Management Regulation:

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation.
- Respond to the council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted to it by the internal audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- The compilation of reports to Council, at least twice during a financial year.
- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- To review the annual report of the municipality.
- Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.
- Provide Council with comments and recommendations with regard to the proposed budget for the following year.

**b) Members of the Audit Committee**

Name of representative	Capacity	Meeting dates
A Titus	Chairperson	30 July 2014
D Miller	Member	27 August 2014
		8 October 2014
		3 December 2014
Z Groenewald	Member	25 February 2015
		14 April 2015
		3 June 2015

Tabel 45: **Members of the Audit Committee**

## 2.7 Performance Audit Committee

The Regulations require that the performance audit committee is comprised of a minimum of three members, the majority of whom are external (neither a councillor nor an employee) of the municipality. Section 14(2) (b) of the Regulations further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2)(d) that the Council of a municipality designate neither a member of the performance audit committee who is neither a councillor nor an employee of the municipality as the chairperson of the committee.

Both the Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a performance audit committee. While the regulations preclude the appointment of a councillor as chairperson of the performance audit committee, the MFMA excludes the involvement of a councillor in the composition of a performance audit committee entirely.

Section 14(3) (a) of the Regulations requires that the performance audit committee of a municipality must meet at least twice during each financial year. However, additional special meetings of the performance audit committee may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3) (b) of the Regulations.

### a) Functions of the Performance Audit Committee

In terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to -

- (i) review the quarterly reports produced and submitted by the internal audit process;
- (ii) review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and
- (iii) at least twice during each financial year submit a performance audit report to the council of the municipality.

### b) Members of the Performance Audit Committee

Name of representative	Capacity	Experience	Meeting dates
A Titus	Chairperson	Law Enforcement in Sheriffing NQF 5 (7-years' experience)	8 October 2014 25 February 2015 14 April 2015 3 June 2015
D Miller	Member	Bcom (Management Accounting) (3-years' experience)	
Z Groenewald	Member	B IURIS (1-year experience)	

Tabel 46: *Members of the Performance Audit Committee*

## 2.8 Internal Auditing

Section 165 (2) (a), (b)(iv) of the MFMA requires that:

The internal audit unit of a municipality must –

- prepare a risk based audit plan and an internal audit program for each financial year; and
- advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to risk and risk management.

The Municipality has an In-house Internal Audit function consisting of 2 internal auditors and 1 intern.

### Annual Audit Plan

The Risk Based Audit Plan for 2014/15 was implemented with available resources. The Operational Audit Plan for the 2014/15 financial year was approved by the Audit Committee on 8 October 2014. The table below provides details on audits completed:

2014/15				
Description			No of Hours	Date completed
Phase 1				
Review of existing risk profile			62	February 2015
Compilation of Strategic Audit Plan			78	September 2014
Phase 2				
Audit Engagement	Departmental System	Detail	No of Hours	Date completed
Governance Audits (PMS, SDBIP)	All Departments	<ul style="list-style-type: none"> <li>Spending vs Budget</li> <li>Proof of Measurement and allocation</li> <li>Spending of MIG funds</li> <li>Compliance</li> </ul>	819	Quarterly
Auditor general	All	<ul style="list-style-type: none"> <li>Quarterly reporting to the Auditor General</li> <li>Scope meeting</li> <li>Comaf, PAF</li> </ul>	85	Quarterly September - November 2014
Salaries	Finance	Review overtime procedures	153	June 2015
Fixed Assets	Finance	<ul style="list-style-type: none"> <li>Alignment of income procedures with municipal policies</li> <li>Evaluate the effectiveness of processes and internal controls</li> </ul>	150	May 2015
Income	Finance, Corporate Services	<ul style="list-style-type: none"> <li>Existence of effective and efficient internal controls for income and cash.</li> <li>Alignment of income procedures with municipal policies</li> <li>Effective and professional communication between the departments/public</li> </ul>	255	Quarterly

2014/15				
Description			No of Hours	Date completed
OPCAR	All	Reporting on execution of management queries	176	Continuous
Project Management	Technical Services	To verify that sufficient and effective controls exist	160	October 2014
Property Management	Development and Planning	<ul style="list-style-type: none"> <li>Alignment of income procedures with municipal policies</li> <li>Evaluate the effectiveness of processes and internal controls</li> </ul>	280	November 2014
Administration Traffic	Protection Services	<ul style="list-style-type: none"> <li>Existence of effective and efficient internal controls for income and cash.</li> <li>Alignment of income procedures with municipal policies</li> <li>Effective and professional communication between the departments/public</li> </ul>	154	Quarterly
Library Services	Corporate	Existence of effective and efficient internal controls for income and cash.	77	Quarterly
Follow-up Audits	All	<ul style="list-style-type: none"> <li>Evaluation of management actions</li> <li>Internal Audits</li> </ul>	190	Continuous
Ad-hoc Audits	All	Aspects not included in the audit plan	268	Continuous
Attendance of meetings	n/a	Obtain information as requested by the Audit Committee	283	Continuous
Corporate Services	n/a	All administrative tasks	492	Continuous
Instructions: Audit Committee	n/a	Follow-up and investigate reports and minutes	161	Continuous
Training	n/a	Staff	237	Continuous
Total Hours			4 080	n/a

Tabel 47: Internal Audit Coverage Plan

Below are the functions of the Internal Audit Unit that was performed during the financial year under review:

Audit reports included the following key focus areas
Internal controls
Risk and Risk Management
Performance Management
Loss Control
Compliance with the MSA MFMA and other legislation

Tabel 48: Internal Audit Functions



## 2.9 By-Laws and Policies

Section 11 of the MSA gives a Council the executive and legislative authority to pass and implement by-laws and policies.

Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy Yes/No
Policy on the expanded public works programme	26 August 2014	Yes
Clothing (in the workplace) Policy	26 August 2014	No
Communication Strategy	2 October 2014	Yes
Local Economic Development Strategy	31 October 2014	Yes
By-law regarding liquor trading days and hours	9 December 2014	Yes
By-law regarding prevention and suppression of nuisances	9 December 2014	Yes
Policy regarding the award of residential plots in informal settlements	9 December 2014	No
Sport Policy	9 December 2014	No (small amendment)
Supply Chain Management Policy	9 December 2014	No (small amendment)
Records Management Policy	31 March 2015	No
Tariff policy	29 May 2015	Yes
Property Rates Policy	29 May 2015	Yes
Credit Control and Debt Collection Policy	29 May 2015	Yes
Indigent Policy	29 May 2015	Yes
Supply Chain Management Policy	29 May 2015	Yes
Virement Policy	29 May 2015	Yes
Budget implementation and monitor policy	29 May 2015	Yes
Acting Allowance Policy	29 May 2015	Yes
Letting of caravan park plots and chalets in Matzikama Municipal area	29 May 2015	Yes
ICT Management Policy	29 May 2015	No

Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy Yes/No
Provision and usage of telephones and cell phones Policy	8 June 2015	No
Amendment By-law regarding tariffs	30 June 2015	Yes
By-law on municipal land use planning	30 June 2015	Yes

Tabel 49: Policies

## 2.10 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the abovementioned legislation for them to exercise their right in this respect. Our democratic government is committed to the principle of **Batho Pele** and this, in simple terms, means that those we elect to represent us (councillors at the municipal level) and those who are employed to serve us (the municipal officials at municipal level) must always put people first in what they do.

South Africa has adopted a system of developmental local government, which addresses the inequalities, and backlogs of the past while ensuring that everyone has access to basic services, to opportunities and an improved quality of life.

To be successful, communications must focus on the issues that are shown to impact on the residents' perceptions, quality of service, value for money and efficiencies. They should ideally look to close the communication-consultation loop, i.e. tell people how they can have a say and demonstrate how those who have given their views have had a real impact.

Communication activities	Yes/No
Communication strategy	Yes
Communication Policy	No
Functional complaint management systems	Yes
Customer satisfaction surveys	No

Tabel 50: Communication Activities

## Communication Unit

Communication Unit	Yes/No	Number of people in the Unit	Job titles
	Yes	1	Public Relations Officer

Tabel 51: Communication Unit

## Newsletters

Type of Newsletter	Number distributed	Circulation number	Date distributed
External	2	9000	December 2014 June 2015

Tabel 52: Newsletter

## Additional Communication Channels Utilised

Channel	Yes/No	Number of People Reached
Facebook	Yes	10 000

Tabel 53: Additional Communication Channels Utilised

## 2.11 Website

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of S75 of the MFMA and S21A and B of the Municipal Systems Act ("MSA") as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the municipality's communication strategy.

The table below gives an indication about the information and documents that are published on our website.

Description of information and/or document	Yes/No and/or Date Published
<b>Municipal contact details (Section 14 of the Promotion of Access to Information Act)</b>	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
<b>Financial Information (Sections 53, 75, 79 and 81(1) of the Municipal Finance Management Act)</b>	

Description of information and/or document	Yes/No and/or Date Published
Draft Budget 2014/15	2 April 2014
Adjusted Budget 2014/15	28 January 2015
Customer Care, Credit control & Debt collection Policy	7 June 2015
Indigent Policy	4 June 2015
Funds and Reserves Policy	4 June 2015
Investment & Cash Management Policy	4 June 2015
Rates Policy	4 June 2015
Supply Chain Management Policy	2 April 2014
Tariff Policy	4 June 2015
Virement Policy	4 June 2015
Travel and Subsistence Policy	4 June 2015
Borrowing Policy	4 June 2015
SDBIP 2014/15	19 September 2014
Budget and Treasury Office Structure	10 July 2014
Budget and Treasury Office delegations	10 July 2014
<b>Integrated Development Plan and Public Participation (Section 25(4)(b) of the Municipal Systems Act and Section 21(1)(b) of the Municipal Finance Management Act)</b>	
Reviewed IDP for 2014/15	9 April 2014
IDP Process Plan for 2014/15	2 June 2014
<b>Reports (Sections 52(d), 71, 72 &amp; 75(1)(c) and 129(3) of the Municipal Finance Management Act)</b>	
Annual Report of 2013/14	12 May 2015
Oversight reports	5 February 2015
Mid-year budget and performance assessment	26 January 2015
Quarterly Reports	30 April 2015
<b>Local Economic Development (Section 26(c) of the Municipal Systems Act)</b>	
Local Economic Development Strategy	13 November 2012
Economic Profile	5 February 2015
<b>Performance Management (Section 75(1)(d) of the Municipal Finance Management Act)</b>	
Performance Agreements for employees appointed as per S57 of Municipal Systems Act	19 September 2014

Tabel 54: Website Checklist

## CHAPTER 3

This chapter provides an overview of the key service achievements of the municipality that came to fruition during 2014/15 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP. It furthermore, includes an overview on achievement in 2014/15 compared to actual performance in 2013/14.

### 3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANIZATION

Performance management is a process which measures the implementation of the organization's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organization and its employees, are met.

The constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of *inter alia*:

- the promotion of efficient, economic and effective use of resources,
- accountable public administration
- to be transparent by providing information,
- to be responsive to the needs of the community,
- and to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A municipality's Performance Management System (PMS) entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players." Performance management is not only relevant to the organization as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

### 3.1.1 Legislative requirements

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In terms of section 46(1)(a) a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

### 3.1.2 Organization performance

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Strategic performance indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlight the strategic performance in terms of the municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the strategic objectives of the municipality and performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act, 2000.

## 3.2 THE PERFORMANCE SYSTEM FOLLOWED FOR 2014/15

### 3.2.1 The IDP and the Budget

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The IDP was reviewed for 2014/15 and the Budget for 2014/15 was approved by Council on **29 May 2014**. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

### 3.2.2 The Service Delivery Budget Implementation Plan (SDBIP)

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The organizational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organizational level and through the service delivery budget implementation plan (SDBIP) at directorate and departmental levels.

The SDBIP is a plan that converts the IDP and the Budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and the Budget.

The MFMA Circular No.13 prescribes that:

- The IDP and the Budget must be aligned
- The Budget must address the strategic priorities



- The SDBIP should indicate what the municipality is going to do during next 12 months
- The SDBIP should form the basis for measuring the performance against goals set during the Budget /IDP processes.

The SDBIP were prepared as described in the paragraphs below and the Top Layer SDBIP approved by the Executive Mayor on **12 June 2014**.

### ***The municipal scorecard (Top Layer SDBIP)***

The municipal scorecard (Top Layer SDBIP) consolidate service delivery targets set by Council / senior management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. Components of the Top Layer SDBIP include:

- **One-year** detailed plan, but should include a **three-year capital plan**
- The 5 necessary components includes:
  - Monthly projections of revenue to be collected for each source
    - Expected revenue to be collected not billed
  - Monthly projections of expenditure (operating and capital) and revenue for each vote
    - Section 71 format (Monthly budget statements)
  - Quarterly projections of service delivery targets and performance indicators for each vote
  - Non-financial measurable performance objectives in the form of targets and indicators
    - Output not input / internal management objectives
    - Level and standard of service being provided to the community
    - Ward information for expenditure and service delivery
- Detailed capital project plan broken down by ward over three years

Top Layer KPI's were prepared based on the following:

- Key performance indicators (KPI's) for the programmes / activities identified to address the strategic objectives as documented in the IDP.
- KPI's identified during the IDP and KPI's that need to be reported to key municipal stakeholders.
- KPI's to address the required National Agenda Outcomes, priorities and minimum reporting requirements.
- The municipal turnaround strategy (MTAS) where applicable

It is important to note that the municipal manager needs to implement the necessary systems and processes to provide the POE's for reporting and auditing purposes.

### 3.2.3 Monitoring of Performance

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The municipality utilizes an electronic web based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set.
- The output/outcome of achieving the KPI.
- The calculation of the actual performance reported. (If %)
- A performance comment.
- Actions to improve the performance against the target set, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated.

## 3.3 PERFORMANCE MANAGEMENT

Performance management is prescribed by Chapter 6 of the Municipal Systems Act, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7 (1) of the aforementioned regulation states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players.” This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The municipality adopted a performance management policy that was approved by Council 2 August 2011.

### 3.3.1 Organizational Performance

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Organizational performance is monitored and evaluated via the SDBIP and the performance process can be summarized as follows:

- The Top Layer SDBIP was approved by the Mayor on **12 June 2014** and the information was loaded on an electronic web based system.
- The web based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets by the 20<sup>th</sup> of every month for the previous month’s performance.
- The mid-year report was submitted to Council on 27 January 2015 which also formed part of the mid-year (Section 72) report in terms of the Municipal Finance Management Act, which was submitted to the Mayor on **22 January 2015** for consideration and approval. The Chairperson of the Performance Audit Committee attends the performance evaluations and is part of the panel together with the Mayor and other council members.
- Internal Audit performed a statutory compliance review which included revision of the information contained in the budget/SDBIP and reviewed IDP and reported thereon. In addition, a compliance review was performed on the

submission of the budget/SDBIP and performance agreements of managers reporting directly to the Municipal Manager to ensure compliance to the relevant legislative requirements.

### 3.3.2 Individual Performance Management

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#### ***Municipal Manager and Managers Directly Accountable to the Municipal Manager***

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all 557-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the 2014/15 financial year were signed **on 31 July 2014** as prescribed.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2013/14 financial year (1 January 2014 to 30 June 2014) took place on **4 December 2014** and the mid-year performance of 2014/15 (1 July 2014 to 31 December 2014) took place on **23 March 2015**. The final evaluation of the 2014/15 financial year (1 January 2015 to 30 June 2015) is scheduled to take place during September/October 2015.

The appraisals was done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- Executive Mayor
- Portfolio Chairperson
- Municipal Manager
- Chairperson of the Audit Committee
- Municipal Manager from other municipality

#### ***Other municipal personnel***

The municipality is in the process of implementing individual performance management to lower level staff in annual phases. It was envisaged that all staff on post level 12 and higher should sign performance agreements or performance development plans for the 2014/15 financial year, but was not achieved due to disagreement with organized labour.

### 3.4 STRATEGIC SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (TOP LAYER)

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section provide an overview on the strategic achievement of the municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements)

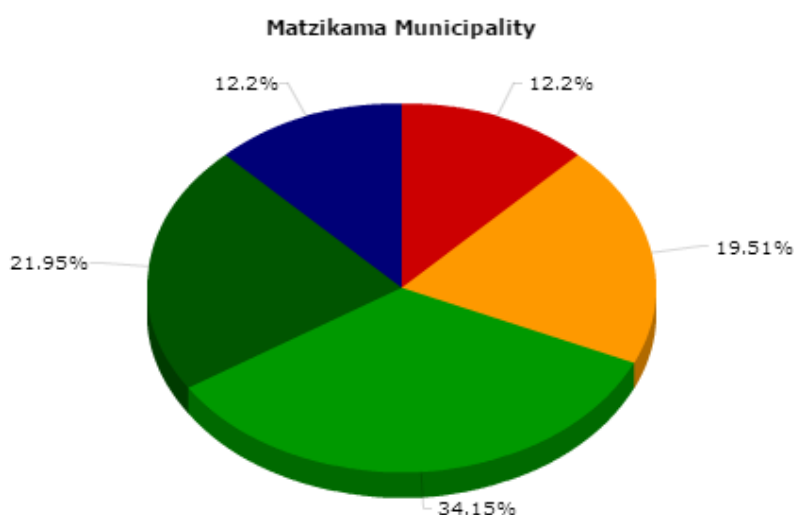
In the paragraphs below the performance achieved is illustrated against the strategic objectives according to the IDP.

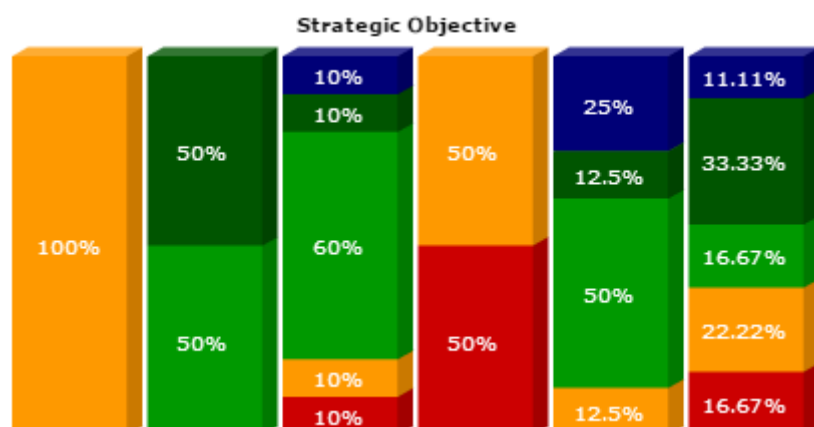
The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (kpi's) of the SDBIP is measured:

Category	Colour	Explanation
KPI Not Yet Measured	Grey	KPI's with no targets or actuals in the selected period
KPI Not Met	Red	0% > = Actual/Target < 75%
KPI Almost Met	Orange	75% > = Actual/Target < 100%
KPI Met	Green	Actual/Target = 100%
KPI Well Met	Dark Green	100% > Actual/Target < 150%
KPI Extremely Well Met	Dark Blue	Actual/Target > = 150%

Figure 2.: SDBIP Measurement Categories

The graph below displays the overall performance per strategic objectives for 2014/15:





	Matzikama Municipality	Strategic Objective					
		Facilitate development and growth of the local economy of the Matzikama municipal area with the intent to create opportunities that will reduce poverty and unemployment	Promote responsible and accountable usage of the Municipality's spatial environment to sustain the natural and built assets	To expand and grow the Matzikama Municipality's Internally Generated Funds (IGF) with the intent to promote long-term financial stability	To facilitate the development of an environment that maximise the social well-being of the citizens of the Matzikama especially the poorest of the poor and other vulnerable groups	To promote a transparent and caring Municipality that is accountable to its citizens	To promote access to adequate, affordable and well maintained municipal basic services
KPI Not Met	5 (12.2%)	-	-	1 (10%)	1 (50%)	-	3 (16.7%)
KPI Almost Met	8 (19.5%)	1 (100%)	-	1 (10%)	1 (50%)	1 (12.5%)	4 (22.2%)
KPI Met	14 (34.1%)	-	1 (50%)	6 (60%)	-	4 (50%)	3 (16.7%)
KPI Well Met	9 (22%)	-	1 (50%)	1 (10%)	-	1 (12.5%)	6 (33.3%)
KPI Extremely Well Met	5 (12.2%)	-	-	1 (10%)	-	2 (25%)	2 (11.1%)
<b>Total:</b>	<b>41</b>	<b>1</b>	<b>2</b>	<b>10</b>	<b>2</b>	<b>8</b>	<b>18</b>

Graph 7.: Overall performance per strategic objective

### 3.4.1 Facilitate development and growth of the local economy of the Matzikama municipal area with the intent to create opportunities that will reduce poverty and unemployment

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL31	Number of temporary and permanent jobs opportunities created through the municipality's local economic development initiatives including labour intensive capital projects	Number of temporary and permanent jobs opportunities created	All	349	0	50	100	210	360	348	O
<b>Corrective action</b>		Reports generated reflecting actual performance will be reviewed by the Director: Town Planning and Development Services prior to compilation and submission of the Annual Performance Report.									

Tabel 55: *Facilitate development and growth of the local economy of the Matzikama municipal area with the intent to create opportunities that will reduce poverty and unemployment*

### 3.4.2 Promote responsible and accountable usage of the Municipality's spatial environment to sustain the natural and built assets

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL41	100% of the DWA subsidy for the upgrade of the Desalination Plant in Bitterfontein spent by the end of March 2015 {(Actual expenditure divided by the subsidy received )x100}	% of subsidy spent	8	100%	5%	30%	100%	0%	100%	100.66%	G 2
TL42	Construct a 1 ML Reservoir in Doringbay by the end of June 2015	Construction completed	2	New performance indicator. No audited comparative figures for 2013/14	0	0	0	1	1	1	G

Tabel 56: *Promote responsible and accountable usage of the Municipality's spatial environment to sustain the natural and built assets*



### 3.4.3 To expand and grow the Matzikama Municipality's Internally Generated Funds (IGF) with the intent to promote long-term financial stability

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL10	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	All	0%	0%	0%	0%	18.40%	18.40%	37.90%	R
<b>Corrective action</b>		Agreement to be reached to take the hand-over of debtors away from the current attorneys to a Specialist Debt Collection Firm as the debt situation is further compounded in those areas where ESCOM distributes electricity.									
TL11	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	All	1.08	0	0	0	0.3	0.3	0.55	B
TL12	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations ((Total operating revenue- operating grants received)/debt service payments due within the year)	Ratio achieved	All	1%	0	0	0	32.5	32.5	25.22	O
<b>Corrective action</b>		The higher target for 2014/15 was completely unrealistic compared to the actuals of 2012/13 and 2013/14 and will be set to be more realistic in the revised budget of 2015/16									
TL13	Achieve a payment percentage of 85%	Payment % achieved	All	90.40%	0%	0%	0%	85%	85%	99.80%	G <sub>2</sub>
TL14	Submit the annual financial statements by 31 August to the Office of the Auditor-General	Financial statements submitted	All	1	1	0	0	0	1	1	G
TL15	Prepare and submit the annual adjustment budget to Council for approval by the end of February 2015	Budget submitted by end February 2015	All	1	0	0	1	0	1	1	G
TL16	Prepare and submit the draft main budget to Council for approval by the end of March 2015	Draft budget submitted by end March 2015	All	1	0	0	1	0	1	1	G
TL17	Prepare and submit the final main budget to Council for approval by the end of May 2015	Final budget submitted by end May 2015	All	1	0	0	0	1	1	1	G

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL18	Prepare the mid-year budget report in terms of section 72 of the MFMA and submit to the Mayor by 25 January 2015	Report submitted to Mayor by 25 January 2015	All	1	0	0	1	0	1	1	G
TL19	Review and submit all previously approved budget and related policies to Council for approval with the draft budget by the end of March 2015	% of all previously approved budget and related policies submitted to council for approval by end March 2015	All	100%	0	0	12	0	12	12	G

Tabel 57: *To expand and grow the Matzikama Municipality's Internally Generated Funds (IGF) with the intent to promote long-term financial stability*

### 3.4.4 To facilitate the development of an environment that maximise the social well-being of the citizens of the Matzikama especially the poorest of the poor and other vulnerable groups

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL2	Public information meeting held to raise awareness with regard to floods before the raining season	Public meeting held	All	1	0	0	0	1	1	0	R
<b>Corrective action</b>		A meeting was held at Lutzville ( Mbeki Square) but no minutes was taken. For all future meetings a dedicated secretary has been appointed.									
TL3	Hold 24 roadblocks per annum	Number of roadblocks held that are verified by the Director responsible on approved template	All	New performance indicator. No audited comparative figures for 2013/14	6	6	6	6	24	22	O
<b>Corrective action</b>		All 24 roadblocks could not be commissioned due to cost saving measures only 22 roadblocks took place. Roadblock planning for the 2015/16 financial year has already been scheduled and will be aligned to the available budget in the 2015-2016 financial year via the adjustment budget process.									

Tabel 58: *To facilitate the development of an environment that maximise the social well-being of the citizens of the Matzikama especially the poorest of the poor and other vulnerable groups*

### 3.4.5 To promote a transparent and caring Municipality that is accountable to its citizens

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL5	Limit the funded vacancy rate to less than 15% of budgeted posts {(Actual approved budgeted vacant positions divided by the total budgeted approved posts)x100}	Vacancy rate	All	15%	0%	0%	0%	15%	15%	9%	B
TL6	Phasing in over a period of three years to spend 1% of operational income budget (minus grant income) on training {(Actual total training expenditure divided by total operational income budget -grant income)x100}	% of personnel budget spent	All	0,24%	0%	0%	0%	0.30%	0.30%	0.51%	B
TL7	Train personnel in line with the workplace skills plan {(Number of personnel actually trained/ No of personnel identified for training)x100}	% of identified personnel trained	All	83%	15%	30%	45%	90%	90%	87.50%	O
<b>Corrective action</b>		35 of the 40 employees identified for training in the 2014/15 WSP were trained, but there were also ad hoc training for 8 Councillors and 33 employees in 2014/15. A total of 68 employees and 8 Councillors were trained in 2014/15. Ensure that training programmes on the WSP is realistic, aligned with the budget and can be executed.									
TL8	Compile the 5 year Employment Equity Plan and submit to the Local Labour Forum by the end of March 2015	Plan compiled and submitted to the LLF by end March	All	New performance indicator. No audited comparative figures for 2013/14	1	0	0	0	1	1	G
TL9	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people employed in the three highest levels of management	All	1	0	0	0	1	1	1	G
TL29	Compile the Risk based Audit Plan and submit to the Audit Committee for approval by 31 May	RBAP submitted to the Audit Committee	All	1	0	0	0	1	1	1	G
TL30	% of audits completed in terms of the Risk Based Audit plan {(Planned audits completed divided by the audits planned for the financial year)x100}	% of planned audits completed	All	77%	10%	30%	50%	80%	80%	90%	G <sub>2</sub>
TL32	The percentage of the municipal capital budget actually spent on capital	% of the municipal budget spent {(Actual amount	All	62%	0%	0%	0%	90%	90%	90%	G

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual	Actual	R
	projects identified in terms of the IDP {(Actual amount spent on projects as identified for the year in the IDP/Total amount budgeted for capital projects)X100}	spent on projects as identified for the year in the IDP/Total amount budgeted for capital projects)X100}									

Tabel 59: To promote a transparent and caring Municipality that is accountable to its citizens

### 3.4.6 To promote access to adequate, affordable and well maintained municipal basic services

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL20	Provide free basic electricity to indigent households earning less than R2 810	Number of households receiving free basic electricity	All	2374	0	0	0	2,100	2,100	1,854	O
<b>Corrective action</b>		In future the kpi will be based on the municipality's Indigent Policy's free basic services threshold which is more beneficial than the government gazette. The 2015/16 year kpi will also be amended during the adjustment budget process.									
TL21	Provide free basic water to indigent households earning less than R2 810	Number of households receiving free basic water	All	2374	0	0	0	2,100	2,100	1,854	O
<b>Corrective action</b>		In future the kpi will be based on the municipality's Indigent Policy's free basic services threshold which is more beneficial than the government gazette. The 2015/16 year kpi will also be amended during the adjustment budget process.									
TL22	Provide free basic sanitation to indigent households earning less than R2 810	Number of households receiving free basic sanitation	All	2374	0	0	0	2,100	2,100	1,674	O
<b>Corrective action</b>		In future the kpi will be based on the municipality's Indigent Policy's free basic services threshold which is more beneficial than the government gazette. The 2015/16 year kpi will also be amended during the adjustment budget process.									
TL23	Provide free basic refuse removal to indigent households earning less than R2810	Number of households receiving free basic refuse removal	All	2374	0	0	0	2,100	2,100	1,854	O
<b>Corrective action</b>		In future the kpi will be based on the municipality's Indigent Policy's free basic services threshold which is more beneficial than the government gazette. The 2015/16 year kpi will also be amended during the adjustment budget process.									
TL24	Limit electricity losses to 16% or less	% of electricity losses	All	20.19%	0%	0%	0%	16%	16%	16.60%	R
<b>Corrective action</b>		Electricity losses has decreased from 20.19% in 2013-14 financial year to 16.69 % in the 2014-15 financial year. Electricity meters will be audited in the 2015-16 financial year in order to further curb electricity losses.									
TL25	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid	Number of residential properties which are billed for electricity or have	All	6904	0	0	0	6,904	6,904	11,255	B

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual	Actual	R
	electrical metering)(Excluding Eskom areas)	pre paid meters (Excluding Eskom areas)									
TL26	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets)	Number of residential properties which are billed for sewerage	All	9088	0	0	0	7,966	7,966	7,970	G <sub>2</sub>
TL27	Limit unaccounted water to 15% or less	% of water unaccounted for	All	10.12%	0%	0%	0%	15%	15%	9.70%	B
TL28	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network	Number of residential properties which are billed for water or have pre paid meters	All	9088	0	0	0	7,966	7,966	9,295	G <sub>2</sub>
TL33	Upgrade the electricity connections in Vredendal North by the end of June 2015	Number of connections	3	156	0	0	0	122	122	123	G <sub>2</sub>
TL34	90% of the budget spent for the upgrade of the low voltage electricity network in Vredendal {(Actual expenditure divided by the approved capital project budget )x100}	% of approved project budget spent	3	77.25%	0%	0%	0%	90%	90%	99.46%	G <sub>2</sub>
TL35	Upgrade identified gravel roads to paved roads in Ebenhaeser by the end of June 2015	Square meters paved	3; 4	New performance indicator. No audited comparative figures for 2013/14	0	0	0	6,800	6,800	0	R
<b>Corrective action</b>		Matzikama Municipality was only responsible for the tender process and design phase of the project. Department of Land Reform is responsible for the construction phase. Department of Land Reform will start the project in 2015-16 financial year.									
TL36	Complete the clubhouse and pavilion in Vredendal by the end of March 2015	Project completed	3	0	0	0	1	0	1	1	G
TL37	Complete the construction of the Klawer WWTW by the end of June 2015	Construction completed	6	New performance indicator. No audited comparative figures for 2013/14	0	0	0	1	1	0	R
<b>Corrective action</b>		Funds received from the MIG grant was not sufficient. The project will roll over to the 2015/16 financial year. Motivation was submitted to the MIG grant administrators for additional funding to complete the project.									

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2014/15						
					Q1	Q2	Q3	Q4	Annual	Actual	R
TL38	Upgrade and reseal of Built Road in Vredendal	Upgrade completed	1	New performance indicator. No audited comparative figures for 2013/14	0	0	0	1	1	1	G
TL39	Complete the upgrade of the oxidation ponds in Strandfontein by the end of June 2015	Upgrade completed	2	New performance indicator. No audited comparative figures for 2013/14	0	0	0	1	1	1	G
TL40	90% of the approved budget spent for the replacement of the sewerage pumps in Matzikama {(Actual expenditure divided by the approved capital project budget )x100}	% of approved project budget spent	All	81.66%	0%	0%	0%	90%	90%	91.32%	G 2
TL43	90% of the approved budget spent for the replacement of the water pumps in Matzikama by the end of June 2015 {(Actual expenditure divided by the approved capital project budget )x100}	% of approved project budget spent	1; 2; 6; 8	98.44%	0%	0%	0%	90%	90%	97.05%	G 2

Tabel 60: To promote access to adequate, affordable and well maintained municipal basic services

## 3.5 MUNICIPAL FUNCTIONS

### 3.5.1 Analysis of Functions

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	MOU with WCDM
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Fire Fighting services	MOU with WCDM
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes

Municipal Function	Municipal Function Yes / No
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
<b>Constitution Schedule 5, Part B functions:</b>	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Tabel 61: **Functional Areas**



### 3.6 SERVICE PROVIDERS STRATEGIC PERFORMANCE

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. A service provider:

- Means a person or institution or any combination of persons and institutions which provide to or for the benefit of the local community
- External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

During the year under review the municipality did not appoint any service providers who provided municipal services to or for the benefit of the local community on behalf of the municipality and therefore this report contains no such details. All other contract appointments are regularly monitored and ensured, that the requirements of the contract is complied with.

### 3.7 COMPONENT A: BASIC SERVICES

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

#### 3.7.1 Water

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##### a) Introduction

One of the key challenges for Matzikama Municipality is to ensure that the necessary bulk infrastructure is in place in order to meet the future demands. Potable water is supplied to all existing consumers and there are no basic water and sanitation service backlogs in the urban of the municipal area. It is, however, estimated that there might be households on the farms in the rural areas with existing service levels below RDP standard.

Rehabilitation and maintenance of existing infrastructure is a priority which needs to be addressed. Due to the lack of adequate funds, such maintenance of existing assets is, however, in competition with the need to extend services to poor communities.

The Water Services Development Plan (WSDP) for the 2014/15 financial year was adopted by Council at the end of May 2014, this is a five year plan and will be updated annually.

Total Use of Water by Sector (kl)					
Year	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2013/14	0	0	341 554	2 297 942	1 460 107
2014/15	0	0	413 773	3 629 817	1 783 724

Tabel 62: Total use of water by sector

Economic activities in the municipal management area include agriculture, processing of agricultural products, mining, fishing and tourism. Water supply by the municipality is driven primarily by domestic water demand and business and industrial consumers in the towns. Vredendal is by far the largest town in the area and is also centrally located, rendering it the logical economic and administrative centre. Vanrhynsdorp, Klawer and Lutzville could be regarded as secondary towns with established business districts. Addressing the housing backlog in the municipal area is the main driver of increasing water demand.

**b) Highlights: Water Services**

Highlights	Description
New 1.5 ml Reservoir	Construction of a new 1.5 ml reservoir for Doring Bay
Quality of drinking water	The water quality for drinking water complies to the SANS 241 criteria
Reduction in water losses	The replacement of leaking pipes and the replacement of old water meters in order to retrieve a more accurate reading contributed to the reduction of water losses
New water pipeline was construct for Rietpoort	100% of the Department of Water Affairs subsidy was spent for the construction of a new water pipeline, new valves and pumps in Rietpoort to provide treated water to consumers
Replacement of old water pumps	97.05% of the approved budget was spent for the replacement of the old water pumps with new ones

Tabel 63: Water Services Highlights

**c) Challenges: Water Services**

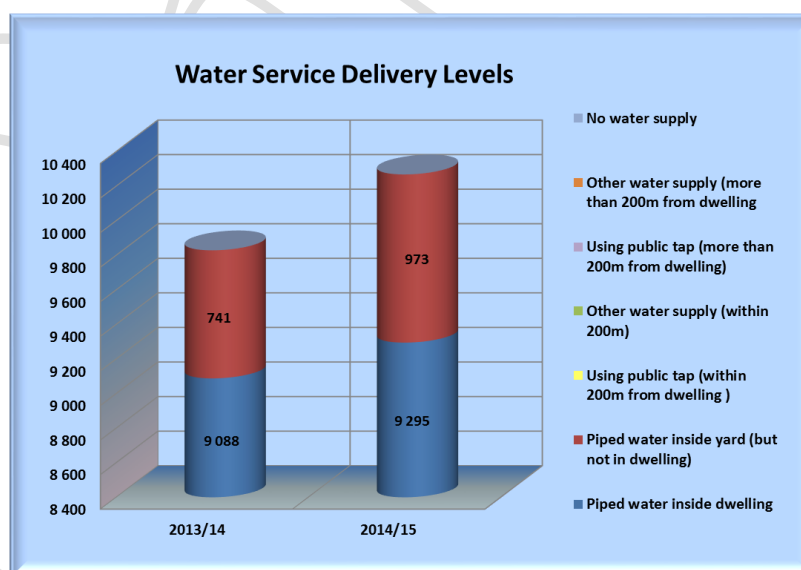
Description	Actions to address
Regular pipe bursts	Replacement of old pipes especially in Vredendal
Shortage of skilled staff	Possibilities will have to be investigated to train and skill staff

Tabel 64: Water Services Challenges

d) Service delivery levels

Water Service Delivery Levels		
Households		
Description	2013/14	2014/15
	Actual	Actual
	No.	No.
<b>Water: (above min level)</b>		
Piped water inside dwelling	9 088	9 295
Piped water inside yard (but not in dwelling)	741	973
Using public tap (within 200m from dwelling )	0	0
Other water supply (within 200m)	0	0
<b>Minimum Service Level and Above sub-total</b>	<b>9 829</b>	<b>10 268</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100</b>	<b>100</b>
<b>Water: (below min level)</b>		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>9 829</b>	<b>10 268</b>

Tabel 65: Water service delivery levels: Households



Graph 8.: Water Service Delivery Levels

Potable water is supplied to all existing consumers and there are no basic water and sanitation service backlogs in the urban areas of the municipality. All the formal households in the urban areas are provided with water connections and waterborne sanitation facilities inside the houses (higher level of service). Communal ablution facilities are provided in the informal areas as a temporary emergency service.

The municipality works towards providing all households in the towns with a water connection inside the house and connecting all households to a waterborne sanitation system. It is, however, estimated that there might be households on the farms in the rural areas with existing service levels below RDP standard.

The municipality is faced with various challenges with regard to the provision of services on private owned land in a financial sustainable manner (enabling the ongoing operation of services and adequate maintenance and rehabilitation of the assets), which include the following:

**Free basic water policy:**

- The provision of the infrastructure (facilities) necessary to provide access to water to all households in a sustainable and economically viable manner.
- The development of subsidy mechanisms which benefit those who most need it.

Access to Water			
Financial year	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
2013/14	0	9 829	9 829
2014/15	0	10 268	10 268
*Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute # 6,000 litres of potable water supplied per formal connection per month			

Tabel 66: Access to water

Regulation 2834 requires the owners of treatment works to classify the treatment works and to register both treatment works and operators/process controllers with the Department of Water Affairs. The municipality is committed to comply with this regulation and will ensure that new process controllers will receive training.

**e) Employees: Water services**

Employees: Water Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	42	34	28	3	9
4 - 6	10	10	7	1	10

Employees: Water Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	1	2	1	1	50
10 - 12	12	7	6	0	0
13 - 15	2	2	2	0	0
<b>Total</b>	<b>67</b>	<b>55</b>	<b>44</b>	<b>5</b>	<b>9</b>

Employees and Posts numbers are as at 30 June.

Tabel 67: Employees: Water services

f) **Capital Expenditure: Water services**

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
(R)					
Water metres ,Taps and Fire hydrants	100 000	55 000	0	-100.00%	0
Pumps(Water)	300 000	300 000	291 146	-2.95%	291 146
Dosing System	20 000	16 300	16 300	0.00%	16 300
Data Loggers Bitterfontein desalination plant (DWA)	1 058 000	1 058 000	1 064 946	0.66%	1 064 946
New 1MI Reservoir Doring Bay (MIG)	550 000	760 740	760 744	0.00%	760 744
2 x 10 000L Water tanks - Kliprand	20 000	16 172	16 172	0.00%	16 172
2 Way radios	8 000	6 600	6 600	0.00%	6 600
<b>Total</b>	<b>2 056 000</b>	<b>2 212 812</b>	<b>2 155 908</b>	<b>-2.57%</b>	<b>2 155 908</b>

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) GRANT funded total expenditure and total project value is reported as VAT inclusive. Own funded projects are reported as VAT exclusive.

Tabel 68: Capital Expenditure 2014/15: Water Services

### 3.7.2 Waste water (sanitation) provision

#### a) Introduction

One of the key challenges for Matzikama Municipality is to ensure that the necessary bulk infrastructure is in place in order to meet the future demands.

Sanitation services are supplied to all existing consumers and there are no basic sanitation service backlogs in the urban areas of the municipality. It is, however, estimated that there might be households on the farms in the rural areas with existing service levels below RDP standard.

The following bulk waste water projects, which were specifically aimed at putting the necessary bulk waste water (sanitation) infrastructure in place to address the housing backlogs in the urban areas, were completed during 2014/15:

- Upgrading of the Strandfontein Oxidation ponds and septic tank for Papendorp

Rehabilitation and maintenance of existing infrastructure is a priority which needs to be addressed. Due to the lack of adequate funds, such maintenance of existing assets is in competition with the need to extend services to poor communities.

#### b) Highlights: Waste Water (Sanitation)

Highlights	Description
Upgrading of Strandfontein Waste Water Treatment Works (WWTW)	New oxidation ponds and inlet structures have been constructed as part of the upgrading of the Strandfontein WWTW
New septic tank for Papendorp	A new concrete septic tank for the collection of waste water has been constructed for Papendorp

Tabel 69: Waste Water (Sanitation) Highlights

#### c) Challenges: Waste Water (Sanitation)

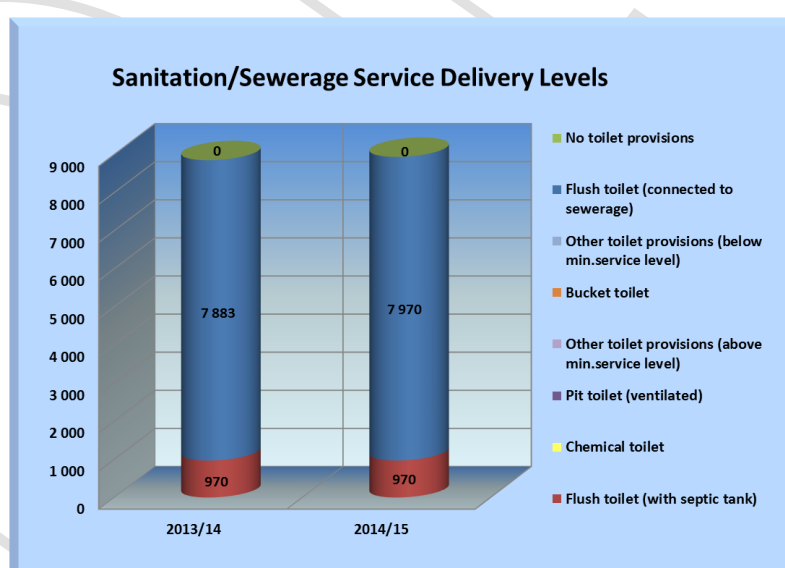
Description	Actions to address
A shortage of trained operators at WWTW	Possibilities will have to be investigated to train operators

Tabel 70: Waste Water (Sanitation) Challenges

d) Service delivery levels

Sanitation Service Delivery Levels		
Households		
Description	2013/14	2014/15
	Actual	Actual
	No.	No.
<b>Sanitation/sewerage: (above minimum level)</b>		
Flush toilet (connected to sewerage)	7 883	7 970
Flush toilet (with septic tank)	970	970
Chemical toilet	0	0
Pit toilet (ventilated)	0	0
Other toilet provisions (above min. service level)	0	0
<b>Minimum Service Level and Above sub-total</b>	<b>8 853</b>	<b>8 940</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100</b>	<b>100</b>
<b>Sanitation/sewerage: (below minimum level)</b>		
Bucket toilet	0	0
Other toilet provisions (below min. service level)	0	0
No toilet provisions	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0</b>	<b>0</b>
<b>Total households</b>	<b>8 853</b>	<b>8 940</b>

Tabel 71: Sanitation service delivery levels



Graph 9.: Sanitation service delivery levels



e) **Capital Expenditure: Waste water/Sanitation services**

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
(R)					
Pumps (sewerage)	300 000	303 000	276 701	(8.68%)	276 701
Aerators	250 000	247 000	200 038	(19.01%)	200 038
Upgrading Oxidation Ponds -Strandfontein (MIG)	550 000	954 065	954 065	0.00%	954 065
Upgrading WWTW Klawer (MIG)	10 138 711	10 138 711	10 138 702	0.00%	10 138 702
Fencing of Landfill site - Lutzville	80 000	40 000	38 377	(4.06%)	38 377
Sewerage truck for Coastal region	600 000	477 707	477 706	0.00%	477 706
Rods - Sewerage	5 000	0	0	0.00%	0
<b>Total</b>	<b>11 923 711</b>	<b>12 160 483</b>	<b>12 085 589</b>	<b>(0.62%)</b>	<b>12 085 589</b>
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) GRANT funded total expenditure and total project value is reported as VAT inclusive. Own funded projects are reported as VAT exclusive.					

Tabel 72: **Capital Expenditure 2014/15: Sanitation Services**

### 3.7.3 Electricity

a) **Introduction**

Matzikama Municipality focuses on the provision of basic electricity services to all households in its municipal area. We strive to deliver to all consumer's quality and reliable electricity supply as stipulated in the National Legislation (NRS 048). Supply voltage is kept to 230V (±10%) for single phase supplies and 400V (±10%) for three phase supplies.

The following project was complete during 2014/2015:

- The electrification of 123 houses in Vredendal-North
- Replacement of 50 bulk meters

The municipality is committed to accurate credit control, including correct metering and rendering of accounts as well as a transparent tariff structure. Faulty meters are replaced after verification. System losses are closely monitored and, as such, new meters have been installed for all general municipal consumption points, including municipal buildings, sport fields and streetlights. The municipality is also monitoring illegal connections and meter tampering strictly.

**b) Highlights: Electricity**

Highlights	Description
Electrification of 123 houses	123 Newly build houses in Vredendal North received electricity for the first time
Auditing and replacement of bulk meters	50 Bulk meters at businesses were audited and all faulty meters were replaced with new meters .The effect of this was that the electricity losses reduced with nearly 5%
Reducing of the electricity losses to 16.60%	Audit and replacement of faulty meters and the disconnection of illegal connections. The effect of this was that the electricity losses reduced with nearly 5%

Tabel 73: Electricity Highlights

**c) Challenges: Electricity**

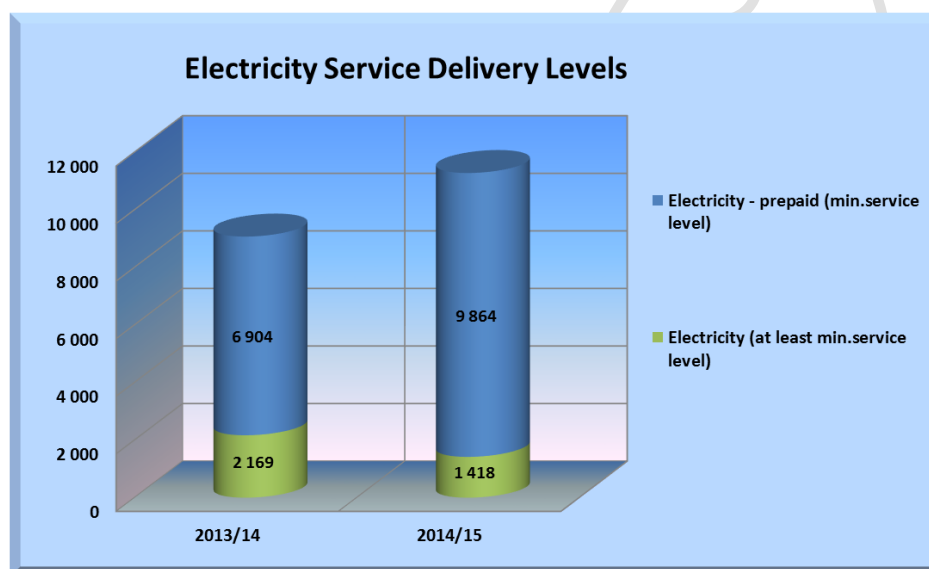
Description	Actions to address
Reduce electricity losses	Installing new bulk meters and disconnection of illegal connections
Shortage of skilled staff	Possibilities will have to investigated to train staff

Tabel 74: Electricity Challenges

**d) Service delivery levels**

Electricity Service Delivery Levels		
Households		
Description	2013/14	2014/15
	Actual	Actual
	No.	No.
Energy: (above minimum level)		
Electricity (at least min.service level)	2 169	1 394
Electricity - prepaid (min.service level)	6 904	9 861
<b>Minimum Service Level and Above sub-total</b>	<b>9 073</b>	<b>11 255</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100</b>	<b>100</b>
Energy: (below minimum level)		
Electricity (< min.service level)	0	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>9 073</b>	<b>11 255</b>

Tabel 75: Electricity service delivery levels



Graph 10.: Electricity Service Delivery Levels

e) **Employees: Electricity**

Employees: Electricity Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	6	6	4	0	0
4 – 6	9	11	9	2	18
7 – 9	4	5	4	1	20
10 – 12	7	8	7	0	0
13 – 15	1	1	1	0	0
<b>Total</b>	<b>27</b>	<b>31</b>	<b>25</b>	<b>3</b>	<b>10</b>

Employees and Posts numbers are as at 30 June.

Tabel 76: **Employees: Electricity**

f) **Capital Expenditure: Electricity**

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
(R)					
South Sub 11Kv Switches Maintenance	90 000	0	0	0.00%	0
North Sub 11Kv Switches Maintenance	90 000	0	0	0.00%	0
Network Upgrading – Post Office	40 000	40 000	39 784	(0.54%)	39 784
Pump station Vredendal Res(Main)Pump	120 000	125 000	124 572	(0.34%)	124 572
Bulk Electricity Meters (MSIG)	0	220 000	242 172	10.08%	242 172
Vredendal North: Connections 280 Households (INEG)	1 500 000	1 500 000	1 085 272	(27.65%)	1 085 272
Vredendal Res Pump station (Main) Panel 2X75 Kilowatt	170 000	165 000	134 065	(18.75%)	134 065
Ups TV Antenna Gifberg	12 000	8 139	8 139	0.00%	8 139
Tools - Electrical	50 000	50 000	35 676	(28.65%)	35 676
<b>Total All</b>	<b>2 072 000</b>	<b>2 108 139</b>	<b>1 669 680</b>	<b>(20.80%)</b>	<b>1 669 680</b>
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) GRANT funded total expenditure and total project value is reported as VAT inclusive. Own funded projects are reported as VAT exclusive.					

Tabel 77: **Capital Expenditure 2014/15: Electricity**

### 3.7.4 Waste Management (Refuse collections, waste disposal, street cleaning and recycling)

a) **Introduction**

Due to the financial burden on residents, the implementation of the Waste Management Plan was not implemented and was embarked on the EPWP program and TEDCOR as alternatives for waste minimization. In cooperation with the EPWP program and TEDCOR, 140 were employed for the cleansing of streets and public spaces and include the following towns:

- Vredendal
- Bitterfontein
- Nuwerus
- Lutzville-West
- Lutzville Uitkyk
- Doring Bay
- Strandfontein
- Klawer
- DMA (Bitterfontein, Nuwerus,)

We have continued with the program of cleansing streets and public spaces on shifts and supplying black bags, free of charge to our communities which take place on a daily basis.

It should be noted that the cost of recycling is a challenge if no interested recycling companies invest in our area due to low volumes in recycle material. Council will have no choice but to recover the costs of the Waste Management Plan from the local communities unless the project is funded by the Municipal Infrastructure Grant (MIG). Recycling will remain a challenge because of the distance to Cape Town where the industries are located.

A recycling company was established in Vanrhynsdorp, Tedcor (Pty) Ltd, but only recycles plastic and need entrepreneurs to expedite other recyclable materials. This intervention was made possible by the Matzikama Municipality and the West Coast District Municipality and adds value to the Integrated Waste Management Plan of the municipality. Another excellent intervention made by the municipality is that our workers are willing to work shifts over weekends to do street cleansing and cleaning of open spaces. This initiative makes a significant difference to the tidy- and cleanliness of streets that we are constantly reminded about by the visitors to our towns.

### b) **Highlights: Waste Management**

Highlights	Description
Plastic recycle wheelie bins were provided to households	Wheelie bins were provided to households, free of charge, as a first phase in Vredendal-North and will be continued to the whole area
Well maintained streets and public spaces	118 EPWP (Expanded Public Works Programme) workers were employed to assist with the cleaning of streets and public spaces
Jobs were created through the establishment of a recycling company Tedcor (Pty) Ltd	Tedcor have appointed 42 workers to assist with awareness programs and collection of recyclable waste

Tabel 78: **Waste Management Highlights**

### c) **Challenges: Waste Management**

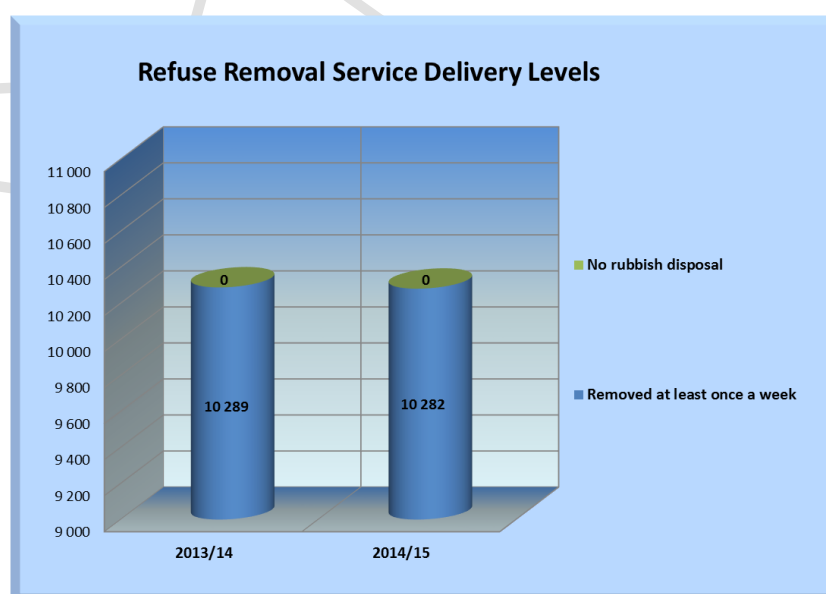
Description	Actions to address
Currently only plastic is recycled. The potential exist for other materials to be recycled but due to budget constraints within Tedcor (Pty) Ltd there is no capacity for recycling other materials	Identification of role players in recycling within our waste plan to recycle other materials

Tabel 79: **Waste Management Challenges**

d) Service delivery levels

Waste Management Service Delivery Levels		
Households		
Description	2013/14	2014/15
	Actual	Actual
	No.	No.
<b>Solid Waste Removal: (Minimum level)</b>		
Removed at least once a week	10 289	10 282
<b>Minimum Service Level and Above sub-total</b>	<b>10 289</b>	<b>10 282</b>
<b>Minimum Service Level and Above percentage</b>	<b>100</b>	<b>100</b>
<b>Solid Waste Removal: (Below minimum level)</b>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level percentage</b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>10 289</b>	<b>10 282</b>

Tabel 80: Solid Waste Service Delivery Levels



Graph 11.: Refuse Removal Service Delivery Levels

e) **Capital Expenditure: Waste Management**

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
(R)					
Landfill Site Addition	0	8 290 750	8 290 750	0.00%	8 290 750
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) GRANT funded total expenditure and total project value is reported as VAT inclusive. Own funded projects are reported as VAT exclusive.					

Tabel 81: **Capital Expenditure 2014/15: Electricity**

### 3.7.5 Housing

a) **Introduction**

The municipality has embarked on a program to create the infrastructure to sustain future housing projects. Our objective is to eradicate informal settlements and to provide every household with a basic service which will include a toilet, electricity and water. In Klawer, 268 sites were serviced during the financial year under review. The development was done in accordance with the Upgrading Informal Settlement Program (UISP) and Informal Residential Development Program (IRDP) of the Department of Human Settlements.

b) **Highlights: Housing**

Highlights	Description
Right of Development (ROD ) approval	ROD approval was received in respectively Vredendal North and Klawer for future housing development
Temporary Re-allocation Area (TRA)	Temporary re-allocation area service sites were successfully established in both Phola Park and Klawer
Farm workers on housing waiting list	Farmers transported their workers in order to apply for low cost houses and be registered on the housing waiting list. Council Policy determines that 10% of every housing project will be allocated to farm workers
268 Sites serviced in Klawer	268 sites were serviced in Klawer to address the housing need of the community
Housing allocation procedures	Continuous communication with the communities to inform and educate them on the procedures to obtain low cost housing. Trust of the community is obtained when waiting list are published according to approved council criteria.

Tabel 82: **Housing Highlights**



c) **Challenges: Housing**

Description	Actions to address
Illegal occupants in 278 Vredendal North Houses	We are currently in the process of laying charges of the occupying of units without the necessary permission. We are also in the process of obtaining eviction orders to participants involved.
Waiting list towards the projects to eliminate backlog.	Applications should be made for funding in order to service more sites and in that way address the backlog
The finalization of Extended Enhance Discount Beneficiary Subsidy (EEDBS)	This issue is addressed on an individual basis as the matters are very complicated. Some of the original beneficiaries has passed away and the close relatives do not necessarily conclude solutions as to who must be the next beneficiary.

Tabel 83: **Housing Challenges**

d) **Service delivery levels**

Percentage of households with access to basic housing			
Financial year	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2013/14	10 289	8 680	84.4
2014/15	11 012	9 698	88.1

Tabel 84: **Percentage of households with access to basic housing**

The following table shows the increase in the number of people on the housing waiting list. There is approximately **9 252** housing units on the waiting list:

Financial year	No of housing units on waiting list	% Housing waiting list increase/(decrease)
2013/14	9 335	16.5
2014/15	9 252	(0.90)

Tabel 85: **Housing waiting list**

The total amount of **R19 million** was allocated to service sites and building of houses during the financial year under review. A summary of houses built, includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000				
2013/14	19 609	20 504	100	278	27
2014/15	19 000	15 458	81	0	283

Tabel 86: **Houses built in 2014/15**

e) **Employees: Housing**

Employees: Housing Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	2	2	2	0	0
10 - 12	1	1	0	1	100
13 - 15	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>33</b>
Employees and Posts numbers are as at 30 June.					

Tabel 87: **Employees: Housing**

### 3.7.6 Free Basic Services and Indigent Support

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality, all households earning less than **R4 500** per month will receive the free basic services as per the municipality's indigent policy. The table, furthermore, indicates the total number of indigent households and other households that received free basic services in the past two financial years:

Free Basic Services To Low Income Households									
Year	Number of households								
	Total	Households earning less than R4 500 per month							
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Access	%	Access	%	Access	%	Access	%
2013/14	10 217	2 354	23.0	2 151	23.0	2 377	23.0	2 354	23.0
2014/15	11 826	2 281	20.0	2 093	20.0	22 81	20.0	2 281	20.0

Tabel 88: **Free basic services to low income households**

The access to free basic services is summarised into the different services as specified in the following table:

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			R'ooo			R'ooo			R'ooo
2013/14	2 377	50	1 156	6 576	0	0	2 287	50	1 112
2014/15	2 281	50	996	7 258	0	0	2 287	0	0

Tabel 89: Free basic Electricity services to indigent households

Water						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'ooo			R'ooo
2013/14	2 354	12	1 860	7 930	6	3 134
2014/15	2 281	12	1 676	6 897	6	2 532

Tabel 90: Free basic Water services to indigent households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'ooo			R'ooo
2013/14	2 151	146.43	3 779	5 732	0	0
2014/15	2 093	136.15	3 419	5 877	0	0

Tabel 91: Free basic Sanitation services to indigent households

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value	No of HH	Unit per HH per month	Value
			R'ooo			R'ooo
2013/14	2 354	1	2 676	7 293	0	0
2014/15	2 281	1	2 934	7 412	0	0

Tabel 92: Free basic Refuse Removal services to indigent households per type of service

## 3.8 COMPONENT B: ROAD TRANSPORT

### 3.8.1 Roads

#### a) Introduction

The average condition of the roads network within the Matzikama Municipality can be rated as fair to poor. To restore the existing condition of the roads network, the municipality have to budget extensively over the next few years. Regular maintenance for example patching of potholes replacement of curbs and cleaning of stormwater networks are done by the maintenance team of the municipality. Gravel roads are graded on a monthly basis to provide gravel roads that are in a fairly good condition.

During the 2014/15 financial year the following road project was completed:

- Reseal of Build Road Vredendal North (875m) and new storm water system

The priorities for the municipality is to maintain its existing tar roads by means of re-sealing and construction of new paved roads (upgrading of existing gravel roads), including storm water systems. A technical report for the upgrading of gravel roads and stormwater systems were completed to give the municipality an overall perspective of the cost to upgrade all the gravel roads to paved roads with stormwater systems. This document were also used to apply for MIG funds and will also be used to look for other sources of funding.

#### b) Highlights: Roads

Highlights	Description
Reseal of build road in Vredendal North	New seal, paved pedestrian walkway, and storm water system for 875m of build road were completed in Vredendal North
Technical report for upgrading of roads and storm water system	A technical report for the upgrading of gravel roads and stormwater systems were completed to give the municipality an overall perspective of the cost to upgrade all the gravel roads to paved roads with stormwater systems. This document were also used to apply for MIG funds and will also be used to look for other sources of funding.
Tender and design phase for the upgrading of roads in Ebenhaeser were completed	Business plan, MIG application, design of roads and tender phase was done. Construction phase will start in September 2015 and will be funded by the Dept. of Rural Development and Land Reform.

Tabel 93: Roads Highlights

c) **Challenges: Roads**

Description	Actions to address
Budgetary constraints	Budgeting of more funds towards the upgrade of existing roads
Shortage of skilled staff	Possibilities will have to be investigated to train staff

Tabel 94: **Roads Challenges**

d) **Service delivery levels**

Gravel Road Infrastructure: Kilometres				
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar (paving)	Gravel roads graded/maintained
2013/14	26.3	0	5.13	26.3
2014/15	26.3	0	0	26.3

Tabel 95: **Gravel road infrastructure**

Tarred Road Infrastructure: Kilometres					
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2013/14	118	5.13	0	0	42
2014/15	118	0	1	0	36

Tabel 96: **Tarred road infrastructure**

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New & Replacements	Resealed	Maintained
	R'000		
2013/14	18 626		15 604
2014/15	7 000		10 544

\* All these costs are allocated to one vote fund on our financial system

Tabel 97: **Cost of construction/Maintenance**

e) **Employees: Roads and Stormwater**

Employees: Roads and Storm water					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	46	48	42	2	4
4 – 6	8	12	8	3	25
7 – 9	0	9	6	1	11
10 – 12	12	8	8	0	0
13 - 15	0	0	0	0	0
<b>Total</b>	<b>66</b>	<b>77</b>	<b>64</b>	<b>6</b>	<b>8</b>

Employees and Posts numbers are as at 30 June.

Tabel 98: **Employees: Roads and Storm water**

f) **Capital Expenditure: Roads and Stormwater**

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
(R)					
Office furniture	1 000	868	868	0.00%	868
Upgrading of stormwater system: Lutzville	300 000	300 000	299 999	0.00%	299 999
Ebenhaeser-upgrading of roads and stormwater (MIG)	699 289	699 289	699 252	0.00%	699 252
Vredendal: upgrade and reseal of built road (MIG)	8 151 000	7 536 195	7 536 194	0.00%	7 536 194
Tractor and trailer	380 000	0	0	0.00%	0
General equipment (Drills, Grinders,Toolboxes)	30 000	18 000	9 135	(49.25%)	9 135
Concrete mixer	25 000	16 775	16 775	0.00%	16 775
Pump and trailer	100 000	0	0	0.00%	0
Tools	20 000	5 254	6 353	20.92%	6 353
<b>Total all</b>	<b>9 706 289</b>	<b>8 576 381</b>	<b>8 568 575</b>	<b>(0.09%)</b>	<b>8 568 575</b>

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) GRANT funded total expenditure and total project value is reported as VAT inclusive. Own funded projects are reported as VAT exclusive.

Tabel 99: **Capital Expenditure 2014/15: Road services**

### 3.8.2 Waste water (Stormwater drainage)

#### a) Introduction

All stormwater drainage systems were regular maintained to prevent blockages. Stormwater Master Plans needs to be develop for all the towns within Matzikama. Informal settlements were allocated to areas where there is stormwater drainage.

#### b) Highlights: Waste water (Stormwater drainage)

Highlights	Description
New storm water system constructed in Vredendal North	New catch pits and stormwater channels were constructed in Vredendal North to channel water away from the road surface
Regular maintenance of stormwater system	Stormwater systems are regularly inspected in order to prevent blockages

Tabel 100: Waste water (Stormwater drainage) Highlights

#### c) Challenges: Waste water (Stormwater drainage)

Description	Actions to address
Blockage of stormwater system	Regular inspections and maintenance of storm water systems in order to prevent blockages
Development of Stormwater Master Plan	Additional funding will have to be sourced in order to develop a Stormwater Master Plan

Tabel 101: Waste water (Stormwater drainage) Challenges

#### d) Service delivery levels

The table below shows the total kilometers of stormwater maintained and upgraded as well as the kilometers of new stormwater pipes installed:

Stormwater Infrastructure				
Kilometres				
Year	Total Stormwater measures	New Stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2013/14	25	0	0	25
2014/15	25	0	1	25

Tabel 102: Stormwater infrastructure



### 3.9 COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT

The planning and building control function of the municipality include the effective and efficient processing of land use- and building applications according to the requirements and obligations of applicable legislation, as well as enforcements regarding unauthorized development and building work. It also includes the effective implementation of the Spatial Development Framework (SDF) and other planning studies to ensure that development in the area are according to statutory regulations and policy guidelines for an orderly, harmonious and sustainable environment.

#### 3.9.1 Planning

---

##### a) Introduction

Planning strategies to improve efficient and effective service delivery to the public were to compile policies, appoint qualified staff with relevant knowledge in vacant posts, the training of staff and the approval of the SDF for the municipality.

Achievements made in this regard were:

- The approved Liquor Trading By-law has been revised and approved by the Municipal Council to ensure compliance with other applicable legislation and amended trading hours.
- The Integrated Coastal Management Programme, in terms of the Integrated Coastal Management Act, was approved by the West Coast District Municipality, as well as the Matzikama Municipal Council. Funding for the implementation thereof is currently sought and discussion to the closing of service agreements between relevant departments/role players, is in process.
- The National Spatial Planning and Land Use Management Act (SPLUMA) and Regulations in terms of SPLUMA to implement on 1 July 2015. The Western Cape Land Use Planning Act (LUPA) as well as the Regulations in terms of LUPA was promulgated and implemented on 26 June 2015.
- The Municipal Planning By-Law read together with SPLUMA and LUPA for the municipality were approved by the Municipal Council on 29 May 2015 but still needs to be promulgated in the Provincial Gazette.
- The Municipal Planning Tribunal in terms of SPLUMA for the Municipality is also in the process of being established.
- A workshop with regards to SPLUMA, Regulations in terms of SPLUMA, LUPA, Regulations in terms of LUPA and the requirements thereof were attended by Municipal officials during June 2015.
- Comments were provided to the Western Cape Government with regards to the proposed standard draft zoning scheme by-law as well as the development charges policy for engineering services.
- The Olifants River Estuary Management Plan is currently being revised and updated by Cape Nature. The last mentioned plan can only be included as a sector plan within the SDF and the IDP of the municipality after it is approved by the Municipal Council. A municipal approved management plan will enable the relevant role players to apply for funding to improve and maintain the Olifants River Estuary.

- Significant progress has been made to transfer the applicable land surrounding the Olifants River Estuary to the registered owner to enable the establishment of an Olifants River Estuary Conservation Area.
- One of the municipality's town planners is registered as a Professional Planner with SACPLAN and SAPI. Service delivery priorities were to improve communication with the public, prompt handling of enquiries and the processing of applications within prescribed timeframes. Measures taken to improve performance include:
- The House Shop Policy enabled the municipality to evaluate house shop applications in a swift and direct manner and also to receive a final decision thereupon. The House Shop Policy is also freely available to the public to enable them to gather the necessary documentation before they launch such an application which streamlines the application process considerably.
- The requirements as stipulated in applicable legislation were enforced to improve the standard of building and land use applications. It was and is still a challenging hurdle but the benefit of the labour has been achieved.
- The GIS data base, which is being used by the Town Planning Department of the municipality, is continuously updated with new information when available. It's made available to enable the municipality to provide meaningful comments on applications and to make informed decisions.

**b) Service delivery levels**

Applications for Land Use Development						
Detail	Formalisation of Townships		Land use applications		Built Environment	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
Applications received in relevant year	0	2	37	53	151	155
Applications of the previous year not yet determined	0	0	70	40	99	76
<b>Total</b>	<b>0</b>	<b>2</b>	<b>107</b>	<b>93</b>	<b>250</b>	<b>231</b>
Determinations made	0	2	64	40	104	107
Applications withdrawn	0	0	1	5	70	41
Applications still incomplete at year end	0	0	19	25	53	61
Complete applications outstanding at year end	0	0	23	23	23	22
<b>Total</b>	<b>0</b>	<b>0</b>	<b>107</b>	<b>93</b>	<b>250</b>	<b>231</b>

Tabel 103: Applications for Land Use Development

c) **Employees: Planning**

Employees: Planning and Building Control					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	2	3	2	0	0
10 – 12	3	4	3	0	0
13 – 15	1	1	1	0	0
<b>Total</b>	<b>6</b>	<b>8</b>	<b>6</b>	<b>0</b>	<b>0</b>

Employees and Posts numbers are as at 30 June.

Tabel 104: **Employees: Planning**

### 3.9.2 Local Economic Development (LED)

a) **Introduction to LED**

Local Economic Development is a high priority in the Matzikama Municipality. The municipality's main focus is on industrial development spearheaded by the needs to grow the economy, diversify the economy, create decent employment and reduce poverty. The municipality created a sound network of role players including key role players in National Government, Provincial Government, the private sector and community-based organizations, to support the economic development vision of the municipality.

b) **Highlights: LED**

The following performance highlights with regard to the implementation of the LED strategy includes:

Highlights	Description
Launching the first black/community owned Abalone farm in the country	The municipality was instrumental in creating an environment that is conducive for the establishment of the first black/community owned Abalone farm. For the first time in South Africa is a previously disadvantaged community a co-owner of an abalone farm. Matzikama Municipality raised more than 50% of the initial funds required to establish a 30 ton abalone farm. Almost three years later the farm has grown to more than 50 tons and employs more than 23 people from the local Community of Doring Bay, permanently.
The National Department of Public Works agreed to making land available for the development of 6 Abalone farms	The first abalone farm in Doring Bay did not only decrease employment and made an impact on the lives of poor people it paved the way for the development of the next six abalone farms. Investor confidence in terms of developing abalone farms in Doring Bay is at an unparalleled high. Due to a shortage of land the

Highlights	Description
	municipality approached the Department of Public Works to make land available. In support of this development the Department of Public Works agreed to provide land for the purpose of developing abalone farms.
An environmental impact assessment (EIA) for the development of 6 Abalone farms is currently being conducted	As part of the municipality's responsibility to create jobs and reduce poverty; the municipality continues to play a leading role in creating an environment that is conducive for developers and or investors to operate in. EIAs are perceived by developers as obstacles to development. Therefore, the municipality undertook to conduct an EIA for the development of 6 abalone farms. TRONOX Namakwa Sands, one of the 9 mining companies funded the EIA to the value of R1.250 million
Launching a Plastic recycling and manufacturing business	The municipality, with the support of 3 mining companies including TRONOX Namakwa Sands Cawood Salt and Transhex, facilitated the development and establishment of a plastic recycling and manufacturing facility in Vanrhynsdorp. Part of the intervention includes the development and establishment of a solid waste collection company. The two companies, which were launched in November 2014, employ 84 and 15 local people respectively. Employees emanate from the communities of Vanrhynsdorp and Vredendal respectively
Farm worker-owned Hydroponics business generated first profits	One of the many flagship local economic development projects of the municipality is the Vredendal Hydroponics farming operation. The farming business produces 10% of the Fresmark market in the Western Cape with cucumbers. The cucumbers are grown in two greenhouses of a quarter hectare each. The project, which was launched in 2012, employs 15 farm workers but is 70% owned by another 10 farm workers. As with all other LED projects the municipality was instrumental in the development and establishment of the project. We are happy to share with you at the last annual general meeting of the company, to which we were invited, a profit of R1.2 million was declared of which 70% belongs to the 10 farmworkers
DAFF approved R10 million for the development of fishermen living in Doring Bay, Papendorp and Ebenaeser	Local fishermen are working in harsh conditions. To improve the environment and living conditions of local fishermen the municipality raised R10 million from the Department Agriculture, Forestry and Fisheries to invest in infrastructure that will make life a bit easier for the fishermen
Three business plans were completed to promote the development of subsistence farmers	The municipality continues to have a presence in the development of businesses. For this reason the municipality takes on a proactive role of research, developing feasibility studies and business plans. Over the years we have learned that the strategy to produce these documents is working. Apart from transforming the economy in the process the municipality created more than 190 permanent jobs over the last three years
The LED strategy was successfully revised	A well-attended two-day work session by all stakeholders culminated in not only a new LED strategy but with renewed hope for the future of Matzikama

Tabel 105: LED Highlights

### c) Challenges: LED

The following challenges with regard to the implementation of the LED strategy are:

Description	Actions to address
Local mining companies of which Matzikama is blessed with 9 and growing is under pressure from the Department Mineral Resources to procure from black businesses. The economy struggles to produce local black businesses that can produce type and quality of services that the mining companies require. SMME development remains a challenge for the Municipality	TRONOX Namakwa Sands, as part of their Social and Labour Plan, supports the West Coast Business Development Centre (WCBDC) financially. Matzikama Municipality entered into an agreement with the Centre to develop the type and quality of SMMEs that the mining companies need to provide them with the service they need to support their respective mining operations. There is an agreement between the centre and the municipality to establish a business hub in Matzikama within the next 12 months to provide that service
Supplying mining companies with skilled labour remains a challenge. Artisans, earth moving machine operators etc. are scarce skills in Matzikama despite the area being home to the most mining companies in the Western Cape. Most of the Artisans and Operators working on the mines come from outside the municipal area	The municipality submitted an application to the Mining Qualification Authority (MQA) SETA for the establishment of an MQA accredited training facility
Tourism development remains a challenge. The local industry lack participation of black businesses. The challenge is exacerbated by the fact that the industry is seasonal	The municipality works close with the local tourism company to address the problem. However, the other spheres of government will have to strengthen the hand of the Municipality in this intervention. The relationship that the municipality has with the Department Rural Development and Land Affairs contributed to the support that is needed for the development of the sector
Despite all the aquaculture development potential, evident in various forms, the municipality still lacks a feasibility study and sector development plan - which is critical for the development of the sector and in particular to market the opportunity to the investment community	The Department Economic Development and Tourism (DEDAT) have been approached to provide funds to appoint a Service Provider to compile such a document for the municipality

Tabel 106: LED Challenges

### d) LED Strategy

The focus of the 2012/2017 IDP is “Economic Development: A prerequisite for successful service delivery”. The Local Economic Development (LED) strategy has been reviewed. The LED forum of Matzikama Municipality comprises a diverse membership emanating from various sectors of society. The current LED strategy is built around commitment to develop a climate in which economic development and economic growth can prosper.

The LED strategy identifies various issues and strategic areas for intervention including but not limited to:

- Financial support from provincial and national government
- The lack of skills and training facilities in our communities are contributing largely to our poor developed economies, particularly in terms of Black Economic Empowerment
- The lack of project development aid for the local communities have a negative impact on Black Economic Empowerment and makes it increasingly difficult for Black Economic Empowerment to meaningful impact on the local economy
- Community ownership in local projects

- Aquaculture development, both marine and freshwater, can have a meaningful impact on the local economy, especially in the coastal towns
- SMME development has potential to contribute significantly to the socio-economic challenges of the Municipality

Accessing government land is a major obstacle and needs earnest attention should we want to attract investment to the area for local economic development

Successful economic development is a function of well-established industrial bodies such as Emerging Farmers, Women in Construction, Fishing and Aquaculture, Commercial Farmers, etc. The issue of concern is, despite the fact that these organizations in some instances exist, they do not function due to lack of leadership, expertise, funding, etc.

The economy of the municipality has potential for further development to support the much needed job creation and poverty reduction.

The progress with regard to the implementation of the LED strategy can be summarized as follows:

- Five key development areas including primary and secondary aquaculture sector development, primary and secondary agriculture development, recycling of waste plastics and manufacturing of plastic products and tourism were identified as focused areas in terms of LED
- The aquaculture sector development was identified as the area with the most potential and as an area of priority due the impact it can potentially make
- The municipality facilitated a process that culminated in the establishment of a partnership between the private sector and the Doring Bay Development Trust (DDT) to establish the first community owned abalone farm
- The same abalone farm referred to above laid the foundation for rolling out development of the sector.
- At least two other primary and secondary agriculture products have been identified and will soon be part of the development process
- Ten fishermen cooperatives have been established in Doring Bay, Ebenhaeser and Papendorp

The LED strategy identifies various issues and strategic areas for intervention such as:

Objectives	Strategies
To speed up the development processes that will lead to the establishment of 6 abalone farms	Engage both provincial and national government and the private sector to support the development
To market the area as the prime location for Aquaculture development	Approach the DEDAT to support the development of plans that include realistic and implementable marketing strategies
To create a data base of all unemployed and employed skills in the area with the intent to develop skills to meet the demand of local industries	Approach the MQA SETA to assist with the development of such a facility

Tabel 107: LED Objectives and Strategies



The table below identifies the detail of the various LED initiatives in the municipal area:

Description of project	No of Jobs created	Total Investment (R)	Spent to date (%)	Performance Highlights
Abalone farm	23	6.2 million	100	First black/community owned abalone farm
Plastic recycling and manufacturing	73	6.6 million	100	First worker owned recycling facility

Tabel 108: *Jobs Created during 2014/15 by LED Initiatives (Excluding EPWP projects)*

Job creation through the Extended Public Works Programme projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2013/14	6	349
2014/15	18	348

Tabel 109: *Job creation through EPWP\* projects*

The most recent local economic development maturity survey that was conducted by the Provincial Government in partnership with CENLED is a good indicator with respect to the overall performance of the municipality in terms of LED. The 2013/14 survey indicated that the municipality ranked amongst the top 4 municipalities in the Western Cape. The 2014/15 performance pointed out that the municipality maintained the position amongst the top 4 municipalities in the Western Cape. The survey shows an improvement in all areas excluding monitoring and evaluation. The municipality is not measuring its performance and communicating it to its stakeholders.

The municipality is in the process of making a major breakthrough that will see Matzikama as a world leader in terms of local economic development. The key indicator of this achievement is the development of the Aquaculture sector and the successes thus far achieved.

#### e) *Employees: LED*

Employees: LED					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	2	1	1	0	0
10 – 12	3	6	4	1	17
13 – 15	1	1	0	1	100



Employees: LED					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	6	8	5	2	25
Employees and Posts numbers are as at 30 June.					

Tabel 110: **Employees: LED**

### 3.9.3 Tourism

#### a) Introduction

Tourism in the Matzikama is linked to direct job opportunities and therefore economic growth. Through protecting our natural resources, encouraging skills development and tourism awareness in our communities as well as growing new markets for potential investors Matzikama Municipality strive towards economic wealth and the reduction of poverty in our region.

#### b) Highlights: Tourism – Development (for marketing see report from Namaqua West Coast Tourism)

Highlight	Description
Opening of the abalone farm in Doring Bay	The new abalone farm in Doring Bay was launched with various role players.
Recycling facility	With the opening of a new recycling facility (MPower Waste in Vanrhynsdorp) the potential exists create more products from recyclable material for the tourism market.
Assisting Olifantsriver Management Forum in functioning on different platforms	Through promoting responsible and accountable usage of the municipality's spatial environment to sustain the natural and built environment, the Matzikama Municipality will ensure an investor and growth friendly economic environment not only for its visitors but also for its communities.
Blue Flag Status for the year 2014	Assisting the Working for the Coast Team (EPWP) to ensure a clean, healthy, safe and attractive coastline for visitors to the region.

Tabel 111: **Highlights Tourism**

#### c) Challenges: Tourism

Description	Actions to address challenges
Construction of tourism infrastructure against the coastline of Matzikama. - With a growing amount of visitors, sustainable infrastructure is needed in the rural towns and ever popular coastline	Applications were submitted to the Department of Economic Development and Tourism for funding to construct the necessary infrastructure

Tabel 112: **Challenges Tourism**

#### d) Tourism Strategy

Matzikama Municipality do have a Tourism Strategy in place which needs to be revised in the near future.

### 3.10 COMPONENT D: COMMUNITY AND SOCIAL SERVICES

In Matzikama municipal area, with its high unemployment and the lack of sustainable information especially for the poor, social development seeks to improve the lives and livelihoods of the community.

The focus is on social development as there is agreement that some of the social ills (especially those experienced by youth groups) are better addressed through ensuring improved social and recreation programs. The Thusong Centers and libraries play an important role in social development by frequently launching social and recreational programmes and by the provision of information for the community. Within the municipality the focus will be on working towards an increasingly focused and efficient manner of service delivery especially with regards to addressing the many social ills that plague the communities of the municipal area.

In order to accomplish this goal the Community Development unit of Matzikama realize that it is imperative to include a wide range of stakeholders who can contribute to our effort in a sustainable manner.

Amongst the multitude of needs in the community and in the light of limited resources, there is a need for the municipality to become more focused and efficient in its service delivery, thus, the role of funding from Council, government organizations, external donors and role players to address social imbalances in a sustainable manner, are of the utmost importance to address social issues.

Various stakeholders assist with soup kitchens, social development projects and life skills programmes on a sustainable basis.

#### 3.10.1 Libraries

---

##### a) Introduction

The public libraries of Matzikama Municipality promote the economic and social upliftment of the communities within the municipal area by providing a wide range of information and recreational library materials free of charge to the communities. To provide this information and materials to the most rural parts of Matzikama Municipality wheelie wagon “libraries” are provided in some of the settlements (Stofkraal, Molsvlei, and Kliprand) of the former DMA-area of Matzikama.

Many school children and students, especially from those communities living in poverty visit the libraries for information regarding their studies, assignments and other school work because school libraries are poorly equipped or do not exist anymore. Jobseekers can get information regarding job opportunities with free access to internet at 8 of the libraries and can even create and update their CV's on the computers at the libraries. The personnel at the libraries also present special programmes and exhibitions for library users and especially for children to promote reading habits, the correct use of the indexes of encyclopaedias to find information and in book education (the correct way to use a book while reading).

Although the libraries are an unfunded mandate for municipalities, it is an important and essential part of the community and social services rendered by the municipality, especially to those communities that are living in poverty.

**b) Highlights: Libraries**

Highlights	Description
Financial support for library services (unfunded mandate) from the Provincial Government Western Cape and relevant National Department	Municipal Replacement Funds (MRF) of R4 585 000 and a Conditional Grant of R1 904 000 was received from the Western Cape Library Services and relevant National Department for the personnel, operational and capital expenses for library services in Matzikama municipal area.
The permanent appointment of temporary contracted library personnel and the appointment of two extra library personnel	10 temporary contracted library personnel were appointed permanently to promote sound and fair labour relations. 1 New library-assistant post at Klawer Library and 1 new library cleaner post at Tru-Tru Library in Vanrhynsdorp were filled.
The installation of book detective systems in 5 libraries	Book detective systems were installed in Vredendal South, Lutzville, Uitkyk (also in Lutzville), Doring Bay and Bitterfontein Libraries to minimize the theft of library material
The conversion of an old building in Klawer into a library, the upgrading of 4 library buildings and purchases of new furniture, shelves and other equipment for several other libraries	The old FNB building in Klawer was converted into a more accessible and secure cashier office and library for the community of Klawer and surrounding rural areas. The library buildings of Vredendal and Doring Bay Libraries were extended and upgraded, a new tile floor was installed at Vanrhynsdorp Library and aircons were installed at Vredendal North (Eureka) Library. New furniture, shelves and other equipment were purchased for several other libraries.
The progress of the ICT project of the Western Cape Library Services to provide computers for access to the provincial information management system (SLIMS) and for library users at all libraries.(Computers are already installed at Vredendal-South, Vredendal-North, Vanrhynsdorp, Lutzville and Klawer Libraries)	Computers were installed at Tru-Tru Library in Vanrhynsdorp, Uitkyk Library in Lutzville and Bitterfontein Library to obtain access to all library materials available in the Provincial Library Services and for internet usage by the public
The partnership agreement between the municipality and UNISA regarding the rendering of library services	The mobile library of UNISA was parked monthly at the Vredendal South Library for UNISA students to obtain the necessary study books and the personnel of last-mentioned library also assisted the students to use the UNISA library via internet
A successful library week that was held at the libraries of Matzikama Municipality	Librarians and assistant librarians of the different libraries held special exhibitions and programmes during the library week to promote library services in the community
The delivering of library books to the elderly people staying in the old age home in Vredendal	The library personnel of Vredendal-South Library visited the old age home in Vredendal monthly and delivered library books door-to door to the elderly people that are staying there
A weekly book review-programme on the local radio-station, Radio Namaqualand	One of the senior librarians promotes the reading habit of the public by means of a weekly book review programme on the local radio station, Radio Namaqualand
A successful library forum meeting of the Provincial Regional Library Office in Matzikama.	All library personnel attended the library forum meeting of the Provincial Regional Library Office held in September 2014 to collectively discuss and implement better library services

Tabel 113:

**Libraries Highlights**

c) **Challenges: Libraries**

Description	Actions to address
The replacement of the manual lending out system at remaining libraries by a computerised system. (Only Vredendal, Vredendal-North, Vanrhynsdorp and Lutzville Library were computerised in this regard)	Facilitate the training and placement of the manual lending out system (of library materials to the public) at the remaining libraries with the Brocade/ SLIMS computerised library system of Province
Increasing public access to information at libraries with the utilization of information technology at the rest of the libraries. (Vredendal-South, Vanrhynsdorp, Lutzville, Klawer, Vredendal-North (Eureka), Tru-Tru (Vanrhynsdorp, Uitkyk (Lutzville) and Doring Bay libraries have computers in this regard)	Facilitate the instalment of computer work stations with internet access for the public by Province at the rest of the libraries
The decrease of the circulation numbers of library books due to the availability of internet access for information at 8 libraries	To promote more awareness of the free lending out of library books and to improve library services in this regard

Tabel 114: **Libraries Challenges**

d) **Service Statistics**

Type of service	2013/14	2014/15
Library members	10 885	4 908*
Books circulated	211 889	210 499*
Exhibitions held	89	104
Internet users	7 209	9 340
Children programmes	41	74
Visits by school groups	34	31
Book group meetings for adults	50	11
Primary and Secondary Book Education sessions	61	21
Book reviews and marketing	15	13
* Due to more accessibility of internet services and e-reading and more tabs and internet access available at schools		

Tabel 115: **Service statistics for Libraries**

e) **Employees: Libraries**

Employees: Libraries					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	2	3	3	0	0
7 – 9	9	10	10	0	0
10 - 12	4	4	4	0	0

Employees: Libraries					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
13 - 15	0	0	0	0	0
<b>Total</b>	<b>15</b>	<b>17</b>	<b>17</b>	<b>0</b>	<b>0</b>
Employees and Posts numbers are as at 30 June.					

Tabel 116: Employees: Libraries

#### f) Capital Expenditure: Libraries

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
(R)					
Security Upgrade (PAWK Libraries)	150 000	611 865	630 723	3.08%	630 723
Doring Bay Library Upgrade (PAWK Libraries)	200 000	200 000	195 041	(2.48%)	195 041
Vredendal Library Upgrade (PAWK Libraries)	150 000	150 000	132 703	(11.53%)	132 703
New flooring for Vanrhynsdorp Library (PAWK Libraries)	80 000	100 000	105 935	5.93%	105 935
Air-conditioning for Libraries (PAWK Libraries)	30 000	28 860	30 501	5.69%	30 501
Counter for Libraries - Slims (PAWK Libraries)	40 000	40 000	20 570	(48.57%)	20 570
Office furniture and air-conditioning for Corporate Services	70 000	70 000	0	(100.00%)	0
Klawer Library Upgrade(PAWK Libraries)	160 000	267 440	283 046	5.84%	283 046
<b>Total all</b>	<b>880 000</b>	<b>1 468 165</b>	<b>1 398 519</b>	<b>(4.74%)</b>	<b>1 398 519</b>
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) GRANT funded total expenditure and total project value is reported as VAT inclusive. Own funded projects are reported as VAT exclusive.					

Tabel 117: Capital Expenditure 2014/15: Libraries

### 3.10.2 Cemeteries

#### a) Introduction

Facilities are based in all towns within the boundaries of the municipality and maintain within the municipal area.

**b) Highlights: Cemeteries**

Highlights	Description
Temporary jobs were created through the Expanded Public Works Programme (EPWP) for unemployed people to clean the graveyard sites	The EPWP workers were used to clean the cemeteries with help from permanent workers twice a week

Tabel 118: **Cemeteries Highlights**

**c) Challenges: Cemeteries**

Description	Actions to address
Vredendal-North Cemeteries proofs to be challenging to maintain due to continued vandalism and stealing of fences	Funds needs to be allocated for a dedicated person to secure municipal property at graveyards
The cost of digging graves is more than the selling price to the community	Council must consider proposed tariff changes
Current graveyard space is limited	New graveyard spaces needs to be identified within the spatial development framework of the municipality

Tabel 119: **Cemeteries Challenges**

**d) Service Statistics**

Type of service	2013/14	2014/15
Pauper burials	167	44

Tabel 120: **Service stats for Cemeteries**

### 3.10.3 Child Care; Aged Care; Social Programmes

**a) Introduction**

The municipality provide access to buildings for Child Care, Aged Care and other social programmes. These programs are mostly done on behalf on the municipality, by other stakeholders, due to financial constraints on behalf on the municipality.

**b) Highlights: Child Care; Aged Care; Social Programmes**

Highlights	Description
Madiba Day Celebrations	Three broken houses were repaired as part of Madiba Day celebrations. Approximately 12 inhabitants were provided with blankets, food and clothes. Houses were painted and broken windows repaired.
Workshop	Workshops were conducted to discuss human trafficking and to create awareness of this global issue
Dorkas	Providing of food parcels to HIV patients as funding becomes available

Tabel 121: **Child care; Aged care; Social Programmes Highlights**



c) **Challenges: Child Care; Aged Care; Social Programmes**

Description	Actions to address
Limited funding for the establishing of Early Child Development (ECD) Centres	Liaison with Provincial role-players to expedite funding for such centres

Tabel 122: **Child care; Aged care; Social Programmes Challenges**

d) **Service Statistics for Child Care; Aged Care; Social Programmes**

Child care; Aged care; Social programmes		
Description	2013/14	2014/15
Veggie gardens established	Community gardens: Dorkas: Vredendal North and Vergenoeg gardens	Community gardens: Dorkas: Vredendal North and Vergenoeg gardens
Soup kitchens established or supported	7 soup kitchens in the Matzikama area which are housed in municipal buildings	7 soup kitchens in the Matzikama area which are housed in municipal buildings
Initiatives to increase awareness on child abuse	Awareness on woman and child abuse, child trafficking and child labour Date: 21-22 August 2014 Venue: Vredendal Target: 30 participants	Awareness on woman and child abuse, child trafficking and child labour
Initiatives to increase awareness on women	Supporting the Department of Health with Breast Cancer Awareness Program, health month and TB/HIV/AIDS awareness 29 January 2014, Wellness day 28 February 2014, Diaree day 22 April 2014, Men's Health 22 May 2014, TB/HIV Awareness 2 July 2014, Health clinic with schools	Supporting the Department of Health with Breast Cancer Awareness Program, health month and TB/HIV/AIDS awareness
Women empowered	26 June 2014, National Substance Abuse Day on woman's issues and the influence in family life with alcohol and drugs as substance	National Substance Abuse Day on woman's issues and the influence in family life with alcohol and drugs as substance
Initiatives to increase awareness on HIV/AIDS	Planning World Aids Day and HIV/AIDS program in co-operation with an NGO who are specializing in HIV/Aids programs and awareness	Planning World Aids Day and HIV/AIDS program in co-operation with an NGO who are specializing in HIV/Aids programs and awareness
Initiatives to increase awareness on Early Childhood Development	Support programs of Early Childhood Development Centre at Thusong Centre's and accommodated 2 pre-schools at the beehives	Support programs of Early Childhood Development Centre at Thusong Centre's and accommodated 2 pre-schools at the beehives



Child care; Aged care; Social programmes		
Description	2013/14	2014/15
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	Awareness sessions on Alcohol & Drug Abuse during holiday programs June/July 2014	Awareness sessions on Alcohol & Drug Abuse during holiday programs
Special events hosted (World's Aids Day, World Arbour day, World Disability Day, Youth Day, 16 Days of activism against women abuse)	Clean-up the environment program on Madiba day, distributing soup, clothes and sandwiches, in the informal settlement amongst less fortunate people. 16 June 2014 program on Youth Day in co-operation with the Matzikama Youth Council	Clean-up the environment program on Madiba day, distributing soup, clothes and sandwiches, in the informal settlement amongst less fortunate people. 16 June 2015 program on Youth Day in co-operation with the Matzikama Youth Council

Tabel 123: Service statistics for Child care; Aged care; Social programmes

e) **Capital Expenditure: Child Care; Aged Care; Social Programmes**

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
(R)					
Emergency Exit Doors	75 000	75 000	56 827	(24.23%)	56 827
Wheel Chair Ramps	75 000	55 000	23 108	(57.98%)	23 108
Vanrhynsdorp Upgrading Of Town Hall	100 000	100 000	90 929	(9.07%)	90 929
<b>Total all</b>	<b>250 000</b>	<b>230 000</b>	<b>170 865</b>	<b>(25.71%)</b>	<b>170 865</b>
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) GRANT funded total expenditure and total project value is reported as VAT inclusive. Own funded projects are reported as VAT exclusive.					

Tabel 124: Capital Expenditure 2014/15: Child Care; Aged Care; Social Programmes

### 3.11 COMPONENT E: ENVIRONMENTAL PROTECTION

#### 3.11.1 Pollution Control

##### a) Introduction

The WCDM Air Quality Management Section is responsible for air pollution control in the area of jurisdiction of the WCDM and its main function is to regulate listed activities licenced in terms of the National Environmental Management: Air Quality Act, 2004 (Act 39 of 2004). These activities include major industries such as steel manufacturing, cement manufacturing, handling and export of iron ore in bulk, fishmeal production, galvanizing, crude oil storage, clay brick manufacturing, lime processes, waste incineration, etc. Two of these activities namely clay brick manufacturing and lime processes are located in the Matzikama Municipal Area.

A service agreement exists between WCDM and Matzikama Municipality which gave effect to respective roles and responsibilities. The air quality levels on pollution in our area is within the legislative requirement, thus no major threat

**b) Communication with industry**

A communication platform with industry has been established by the WCDM and Matzikama partake in all of these activities by attending quarterly meetings and it is expected from to report on listed activities to the West Coast Air Quality Working Group chaired by WCDM Air Quality Officer in a specific agreed upon format. Minutes of these meetings are distributed to attendees representing Provincial Government and local municipalities.

**c) Air Quality Management Plan (AQMP)**

It is a legal requirement, in accordance with the National Environment Management: Air Quality Act 39 of 2004 (AQA), for municipalities to introduce Air Quality Management Plans (AQMP) that set out what will be done to achieve the prescribed air quality standards. Such a plan, in line with the IDP requirements, forms part of the Matzikama Municipality's IDP. The drafting of the plan was financially supported by the WCDM, who appointed external expertise to draft the air quality management plan and by-law for all the municipalities within its boundaries. The final plan has been approved by Matzikama Municipality in 2012 and revised in 2013.

### **3.12 COMPONENT F: SECURITY AND SAFETY**

We are threatened by theft, damage and vandalism at our municipal properties, which happens especially over weekends and at night. A further threat is the homeless in the CBD (Vredendal). These threats are as a result of the high rate of unemployed in the area that increases the level of crime in the municipal area. In Vredendal-North SAPS deal on a daily basis with aggravated robberies (cell phones and cash).

We strive to limit crime in the area in collaboration with other government institutions and implement security measures within budget constraints. We are also in a planning phase with adequately and visible numbering of houses within Vredendal-North.

### 3.12.1 Traffic Services and Law Enforcement

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#### a) Introduction

##### **COMPONENT: REGISTRATION AND LICENSING**

The Traffic and Law Enforcement component comprises of 14 officers which is divided in three districts.

**Central District:** Vredendal, Vredendal-North, Driver's license Testing and Roadworthy. This section comprises of 1 superintendent, 2 senior traffic officers for the testing of vehicles and driver's licenses and 3 traffic officers for traffic safety and law enforcement.

**Western District:** Lutzville, Koekenaap and Doring Bay. This section comprises of 1 superintendent and 3 traffic officers for traffic safety and law enforcement.

**Eastern District:** Vanrhynsdorp to Klawer and North to Bitterfontein, including the old district municipal area. This section comprises of 1 superintendent and 3 traffic officers for traffic safety and law enforcement.

Together these components render the following services within the Matzikama Municipality area.

- Enforcement of by-laws
- Roads safety training at schools
- Roadworthy of motor vehicles
- Testing of learner and drivers licenses
- Escort duties
- Traffic safety enforcement
- Accident control
- Safety education at businesses
- Issuing warrants of arrest
- Deployment in times of disasters and major incidents

##### **COMPONENT: REGISTRATION AND LICENSING**

We have four offices to conduct registration and licensing in Vredendal, Vanrhynsdorp, Lutzville and Klawer. This section comprises of 1 senior and 4 cashiers, (2 vacant positions). Responsibilities include the following:

- Motor vehicle registration and all related functions.
- Application and issuing of learner and drivers licenses
- Eye testing
- Learners classes in all three towns

## COMPONENT: SUMMONS ADMINISTRATION AND FINES

One office situated at Vredendal with 1 administration clerk. Responsibilities include the following:

- Capturing of summonses on MVS system Provincial – and Local Traffic
- Filing
- Managing and capturing of warrant of arrest on eNATIS
- Managing the financial administration (fines paid)
- Lease with Public Prosecutor
- Managing the case representations
- Attend Cass-Flow meetings with National Prosecuting Authority

### b) Highlights: Traffic Services and Law Enforcement

Highlights	Description
Service Delivery (Motor Registration & Licensing)	This section started the financial year with a vacant position and later it became two vacant positions. However, they still functioned optimal and also incorporated an employee, employed as a cleaner into the registration cashiers on a temporary basis.
Scholar Safety	Officers identified the need to increase scholar visibility on the R363 Welverdiend. On 25 July 2014 the whole school was issued with reflective bands, sponsored by the Provincial Department of Community Safety.
Social Empowerment	With the rapid industrial expansion, the traffic had various training classes for Learner's Driving Licenses and code EC (14) driver training in corporation with Coca Cola
Cycle Safety	The division together with Namaqwa Cycle Club had a cycle awareness campaign during November 2014. This was done to draw the attention to cycle vulnerability during the school holidays.
Financial Income: Traffic Fines	We introduced a new system to collect outstanding payments on warrants. This is the main reason for the increase in this financial year's traffic fines revenue.

Tabel 125: Traffic Services and Law Enforcement Highlights

### c) Challenges: Traffic Services and Law Enforcement

Description	Actions to address
Attending and summoning of by-law offences	Establish a Law Enforcement division
Vacancies of registration staff	Filling of the two vacant registration staff positions
Access to certain areas. (Transport)	Investigate the possibility of purchasing a 4x4 vehicle
Access to information (meetings)	Superintendents to attend Regional Traffic Manager's Co-ordinating Committee meetings and Senior Registration to attend Western Cape eNATIS User Group meetings
Pound facilities (animals and vehicles)	Investigate the possibility of obtaining registered and adequate pound facilities

Description	Actions to address
Capturing of summonses	Upgrading of computer systems
Office space	Investigate the possibility to expand the current office space
Vehicles testing lane	Investigate the possibility to expand the current one vehicle testing lane to two lanes
Driving license testing centre	Investigate the possibility to expand the testing centres to Lutzville and Vanrhynsdorp
Training	Arrange for refresher courses in different categories

Tabel 126: **Traffic Services and Law Enforcement Challenges**

d) **Service delivery statistics**

No.	Details	2013/14	2014/15
		Actual No.	Actual No.
1	Number of road traffic accidents during the year	601	726
2	Number of bye-law infringements attended	57	50
3	Number of officers in the field on an average day	9	7
4	Number of officers on duty on an average day	11	10

Tabel 127: **Traffic Services and Law Enforcement Data**

Type of service	2013/14	2014/15
Animals impounded	7 (Animal Care)	8 (goats) 3 (dogs)
Motor vehicle licenses processed	16 250	22 207
Learner driver licenses processed	1 461	1 097
Driver licenses processed	1 134	506
Driver licenses issued	2 729	4 127
Fines issued for traffic offenses	1 044 (sect. 56) 2 226 (speed)	1 606 (municipal) 6 030 (provincial) 4 977 (speed) 11 007 (total)
R-value of fines collected	R589 030	R1 890 640
Operational call-outs	124	206
Roadblocks held	18	22
Special Functions – Escorts	52 (hours)	38 (hours)
Awareness initiatives on public safety	178 (hours)	60 (hours)

Tabel 128: **Additional performance information for Traffic Services and Law Enforcement**

e) **Employees: Traffic and Law Enforcement**

Employees: Traffic Services and Law Enforcement					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	1	1	1	0	0
7 – 9	15	9	9	0	0
10 – 12	5	7	5	0	0
13 – 15	0	0	0	0	0
<b>Total</b>	<b>21</b>	<b>17</b>	<b>15</b>	<b>0</b>	<b>0</b>
Employees and Posts numbers are as at 30 June.					

Tabel 129: **Employees: Traffic Services and Law Enforcement**

### 3.12.2 Fire and Disaster Management

a) **Introduction**

Fire Services are rendered in terms of a Memorandum of Understanding with the West Coast District Municipality at no cost to either. As for Disaster Management, the municipality has an approved disaster management plan which is annually reviewed during the IDP public participation process. With some constraints, we are in the position to carry out our plans and have thus far not had any serious disasters.

b) **Highlights – Fire and Disaster Management**

Highlights	Description
Arsonist arrested	One person was arrested for arson at Vredendal, Binnesingel

Tabel 130: **Highlights: Fire and Disaster management**

c) **Challenges – Fire and Disaster Management**

Challenges	Action to address
Training (Disaster) Officers and Superintendents needs training for managing disasters	Training needs will have to be assented and options investigated
Availability of equipment (Disaster / Fire)	We do not have any equipment to deal with any disaster and to rely on other Departments is timely

Tabel 131: **Challenges: Fire and Disaster management**

### 3.13 COMPONENT G: SPORT AND RECREATION

#### 3.13.1 Sport and Recreation

##### a) Introduction

Our department is responsible for the maintenance of municipal facilities in our area which consists of the following:

- Swimming pool (Vredendal-North)
- Swimming pool (Vredendal-South)
- 8 Parks which are maintained according to a weekly schedule
- 1 sports hall in Vredendal-South
- 10 sports fields

The parks and sports fields in Vredendal were maintained according to a work programme on a daily basis. Staff is also deployed to clean all the halls in the municipal area.

##### b) Highlights: Sport and Recreation

Highlights	Description
Matzikama Table Tennis Federation	After only 3 years in operation and with various challenges, our athletes have proved that they are a force to be reckoned with. 4 Athletes – u/13, u/15 and 2 u/18 athletes were selected to be in the Boland team that took part in the S.A championships. Two were selected to compete in the S.A Top schools tournament scheduled for December in Bloemfontein.
Matzikama Fighting Academy	This institution went through the ranks – from Regional, District, Provincial, National and to International Tournaments in a very short space of time
Judo Matzikama	This is an Olympic code and the organization's vision is supported that either in 2020 or 2024, someone from the area will be part of the S.A team to compete in the Olympic Games. Planning also already started for the hosting of the first ever West Coast Open tournament in October 2015.
New 800 Seating Pavilion	Vredendal – North are very privileged to have for the first time ever, their own state of the art Pavilion to the value of R7 million.
The District Golden Games	For the second time the Matzikama Municipality successfully hosted our Senior Citizens own Olympic games. More than 250 participants from all over the West Coast competed and the winners were selected to go to the Provincial games later this year.

Tabel 132: Sport and Recreation Highlights



c) **Challenges: Sport and Recreation**

Description	Actions to address
Lack of funding for programs and projects	Application will be made to adjust the budget accordingly.
Lack of opportunities to do network building	Through attending meetings, workshops and Indabas, a strong network can be built to share best practices

Tabel 133: **Sport and Recreation Challenges**

d) **Additional Performance information for Sport and Recreation**

Type of service	2013/14	2014/15
<b>Community parks</b>		
Number of parks with play park equipment	9	9
Number of wards with community parks	9	9
<b>Swimming pools</b>		
Number of visitors per annum	11 200	9 900
R-value collected from entrance fees	56 416	49 558
<b>Camp sites/Resorts</b>		
Number of visitors per annum	2 750	2 950
R-value collected from visitation and/or accommodation fees	1 750 863	1 754 241
<b>Sport fields</b>		
Number of wards with sport fields	8	8
Number of sport associations utilizing sport fields	4	4
R-value collected from utilization of sport fields	0	0
<b>Sport halls</b>		
Number of wards with sport halls	1	1
Number of sport associations utilizing sport halls	7	7
R-value collected from rental of sport halls	80 906	61 608

Tabel 134: **Additional performance information for Sport and Recreation**

e) **Capital Expenditure: Sport and Recreation**

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
(R)					
Furniture and office equipment - Strandfontein Chalets	20 975	20 975	22 640	7.94%	22 640
Vredendal Noord Sport: Rollover 2013/14 (MIG)	0	4 790 373	4 749 442	(0.85%)	4 749 442
Tractor	200 000	220 000	0	(100.00%)	0
<b>Total</b>	<b>220 975</b>	<b>5 031 348</b>	<b>4 772 082</b>	<b>(5.15%)</b>	<b>4 772 082</b>
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) GRANT funded total expenditure and total project value is reported as VAT inclusive. Own funded projects are reported as VAT exclusive.					

Tabel 135: **Capital Expenditure Sport and Recreation**

### 3.14 COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

#### 3.14.1 Executive and Council

a) **Highlights: Executive and Council**

Highlights	Description
A stable Council	This year the Council surfaced as a more stable body – attributed to no changes in key positions
Infrastructure	The MIG spending was 100%
Appointment of Director Town Planning and Development	Mr Lionel Phillips was appoint on 1 May 2015
Delivery of service sites	The project in ward 6 are ahead of delivering date with the service of 283 erven

Tabel 136: **Executive and Council Highlights**

b) **Challenges: Executive and Council**

Description	Actions to address
Vacant municipal position	The shortlisted candidates is due to be interviewed shortly
Section 80 Committees	The Mayor still have a challenge with the functioning of the Portfolio Committees
Ward Committees	The Ward Committees in most of the wards are not functioning properly.

Tabel 137: **Executive and Council Challenges**

c) **Employees: Executive and Council**

Employees: Executive and Council					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	1	0	0	0	0
7 – 9	4	5	3	1	20
10 – 12	7	2	2	0	0
13 – 15	2	1	1	0	0
19 – 20	0	16	14	2	13
<b>Total</b>	<b>14</b>	<b>24</b>	<b>20</b>	<b>3</b>	<b>13</b>

Employees and Posts numbers are as at 30 June

Tabel 138: **Employees: Executive and Council**

d) **Capital Expenditure: Executive and Council**

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
(R)					
Upgrading Of Municipal Head Office	100 000	100 000	40 981	(59.02%)	40 981
Neighbourhood Development Programme Grant	311 000	311 000	310 999	0	310 999
<b>Total</b>	<b>411 000</b>	<b>411 000</b>	<b>351 980</b>	<b>(14.36%)</b>	<b>351 980</b>

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) GRANT funded total expenditure and total project value is reported as VAT inclusive. Own funded projects are reported as VAT exclusive.

Tabel 139: **Capital Expenditure Executive and Council**

e) **Capital Expenditure: Corporate Services**

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
(R)					
PC Upgrading	75 000	75 000	67 176	(10.43%)	67 176
Replacement Of ICT Systems (MSIG)	85 000	85 000	95 988	12.93%	95 988

Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
<b>Total</b>	<b>160 000</b>	<b>160 000</b>	<b>163 164</b>	<b>1.98%</b>	<b>163 164</b>
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) GRANT funded total expenditure and total project value is reported as VAT inclusive. Own funded projects are reported as VAT exclusive.					

Tabel 140: **Capital Expenditure Corporate Services**

### 3.14.2 Financial Services

#### a) **Highlights: Financial Services**

Highlights	Description
External borrowing	No additional loans were taken up to fund capital investment due to the strategy to improve our financial position
Slight improvement of cash flow	Cash situation improved when compared to the audited 2013/2014 financial year
Improvement in accounts payable	Reduced the provision for accruals
Annual Financial Statements (AFS)	Draft AFS of 2013/14 was submitted timeously to Audit Committee for purposes of independent oversight and review

Tabel 141: **Financial Services Highlights**

#### b) **Challenges: Financial Services**

Description	Description
Unemployment	Reduced payment rate as a result of socio-economic conditions in respect of ability to pay by indigent consumers
Outstanding debtors	Growth in outstanding debtors due to increased reliance on subsidies from households not qualifying for relieve

Tabel 142: **Financial Services Challenges**

c) **Employees: Financial Services**

Employees: Financial Services					
Job Level	2013/14	2014/15			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	34	30	27	1	3
7 - 9	8	15	12	2	13
10 - 12	5	5	5	0	0
13 - 15	3	3	3	0	0
16 - 18	1	1	1	0	0
<b>Total</b>	<b>51</b>	<b>54</b>	<b>48</b>	<b>3</b>	<b>6</b>
Employees and Posts numbers are as at 30 June					

Tabel 143: **Employees: Financial services**

### 3.15 COMPONENT I: SERVICE DELIVERY INDICATORS FOR 2015/16

The main development and service delivery priorities for 2015/16 forms part of the Municipality's top layer SDBIP for 2015/16 and are indicated in the table below:

#### 3.15.1 Facilitate development and growth of the local economy of the Matzikama municipal area with the intent to create opportunities that will reduce poverty and unemployment

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL8	Number of temporary job opportunities created through EPWP and labour intensive capital projects by 30 June 2016	Number of temporary jobs opportunities created by 30 June 2016	All	380
TL33	Facilitate the establishment of 3 BBBEE business entities by 30 June 2016	Number of entities established by 30 June 2016	All	3

Tabel 144: **Facilitate development and growth of the local economy of the Matzikama municipal area with the intent to create opportunities that will reduce poverty and unemployment**

### 3.15.2 To capacitate all communities to participate in the development processes of the Municipality

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL38	Hold 3 ward committee training sessions by 30 June 2016	Number of training sessions held by 30 June 2016	All	3
TL39	Hold training sessions for the members of the LED forum by 31 March 2016	Training sessions held by 31 March 2016	All	1

Tabel 145: To capacitate all communities to participate in the development processes of the Municipality

### 3.15.3 To expand and grow the Matzikama Municipality's Internally Generated Funds (IGF) with the intent to promote long-term financial stability

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL11	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2016 ((Total operating revenue-operating grants received)/debt service payments due within the year)	Ratio achieved as at 30 June 2016 (Total operating revenue-operating grants received)/debt service payments due within the year)	All	32.5
TL12	Financial viability measured in terms of the outstanding service debtors as at 30 June 2016 (Total outstanding service debtors/ revenue received for services)	% achieved as at 30 June 2016 (Total outstanding service debtors/ revenue received for services)	All	18.40%
TL13	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2016 ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved as at 30 June 2016 ((Available cash+ investments)/ Monthly fixed operating expenditure)	All	0.3
TL62	Achieve a debtors payment percentage of 86% at 30 June 2016 (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off / Billed Revenue x 100)	Payment % achieved at 30 June 2016	All	86%
TL63	Submit the annual financial statements by 31 August 2015 to the Office of the Auditor-General	Financial statements submitted by 31 August 2015 to the Office of the Auditor-General	All	1
TL64	Prepare and submit the annual adjustment budget to Council by 28 February 2016	Budget submitted to council by 28 February 2016	All	1
TL65	Prepare and submit the draft main budget to Council by 31 March 2016	Draft budget submitted by 31 March 2016	All	1
TL66	Prepare and submit the final main budget to Council by 31 May 2016	Final budget submitted by 31 May 2016	All	1

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL67	Prepare the mid-year budget report in terms of section 72 of the MFMA and submit to the Mayor by 25 January 2016	Report submitted to Mayor by 25 January 2016	All	1
TL68	Review and submit all previously approved budget and related policies to Council with the draft budget by 31 March 2016	% of all previously approved budget and related policies submitted to council by 31 March 2016	All	12

Tabel 146: *To expand and grow the Matzikama Municipality's Internally Generated Funds (IGF) with the intent to promote long-term financial stability*

### 3.1.5.4 To facilitate the development of an environment that maximize the social well-being of the citizens of the Matzikama especially the poorest of the poor and other vulnerable groups

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL36	Develop ward plans to be included in the IDP by 31 March 2016	Ward plans developed and included in the IDP by 31 March 2016	All	8

Tabel 147: *To facilitate the development of an environment that maximise the social well-being of the citizens of the Matzikama especially the poorest of the poor and other vulnerable groups*

### 3.15.5 To promote a transparent and caring Municipality that is accountable to its citizens

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL9	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people employed in the three highest levels of management	All	1
TL10	The percentage of the municipality's salary budget actually spent on implementing its workplace skills plan by 31 May 2016 [(Actual amount spent on training/total personnel budget)x100]	(Actual amount spent on training/total salary budget)x100	All	0.40%
TL15	Compile the Risk based Audit Plan and submit to the Audit Committee for approval by 31 May 2016	RBAP submitted to the Audit Committee by 31 May 2016	All	1
TL16	% of audits completed in terms of the Risk Based Audit plan by 30 June 2016 {(Planned audits completed divided by the audits planned for the financial year)x100}	% of planned audits completed by 30 June 2016	All	80%
TL30	Submit monthly report to Council on the state of municipal public buildings (including community halls, libraries, etc)	Number of reports submitted Council	All	12



Ref	KPI	Unit of Measurement	Wards	Annual Target
TL31	100% of the findings of the Auditor General (AG) on Community Services implemented within the agreed time frames as per Audit Action Corrective Plan by 31 December 2015 {(Number of findings implemented divided by total number of findings received)x100}	% of AG findings for Community Services implemented within the agreed time frames as per Audit Action Corrective Plan by 31 December 2015	All	100%
TL32	100% of Auditor General's queries (Comaf's) for Community Services for which an action plan was submitted within 3 working days {(Number of Comaf's for which action plans were developed/ Total number of Comaf's received for which actions plans must be developed)x100}	% of applicable Comaf's for which an action plan was submitted within 3 working days	All	100%
TL34	Submit the Annual Performance Report in terms of Section 46 of the Municipal Systems Act to the Auditor-General by 31 August 2015	Report submitted to the Auditor-General by 31 August 2015	All	1
TL35	Submit the Draft Annual Report to Council by 31 January 2016	Report submitted to council by 31 January 2016	All	1
TL40	Limit the funded vacancy rate to less than 5% of budgeted posts by 30 June 2016 {(Actual approved budgeted vacant positions divided by the total budgeted approved posts)x100}	Vacancy rate {(Actual approved budgeted vacant positions divided by the total budgeted approved posts)x100}	All	5%
TL41	Report quarterly to Council on progress with the review of the organogram	Number of progress reports submitted to Council	All	4
TL42	Review the municipal organogram and submit to council by the 30 June 2016	Organogram reviewed and submitted to council by 30 June 2016	All	1
TL43	95% of capital budget for Corporate Services spent by 30 June 2016 to complete capital projects {(Actual expenditure on capital projects divided by the total budget for capital projects )x100}	% of Corporate Services capital budget spent by 30 June 2016	All	95%
TL44	100% of the findings of the Auditor General (AG) on Corporate Services implemented within the agreed time frames as per Audit Action Corrective Plan by 31 December 2015 {(Number of findings implemented divided by total number of findings received)x100}	% of AG findings for Corporate Services implemented by 31 December 2015	All	100%
TL45	Develop and submit a work skills plan that links training needs to capital projects and submit to LGSETA by 31 May 2016	Work skills plan that links training needs to capital projects developed and submitted to LGSETA by 31 May 2016	All	1
TL46	Replace the TRUSC IT back-up system with the Municipality's own back-up system by 31 December 2015	IT back-up system replaced by the Municipality's own system by 30 December 2015	All	1
TL47	90% of planned training sessions realized by 31 May 2016 [(Number of training sessions realized/Total number of training sessions planned)x100}	% of Training sessions realized by 31 May 2016	All	90%

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL48	Develop policy standards for recognition of achievement and submit to council by 31 December 2015	Policy developed and submitted to Council by 31 December 2015	All	1
TL49	Implement policy standards for recognition of achievement by 31 March 2016	Policy standards for recognition of achievement implemented by 31 March 2016	All	1

Tabel 148: *To promote a transparent and caring Municipality that is accountable to its citizens*

### 3.15.6 To promote access to adequate, affordable and well maintained municipal basic services

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL1	Number of formal residential properties that which are billed for water or have pre paid meters that is connected to the municipal water infrastructure network as at 30 June 2016	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2016	All	7,966
TL2	Number of formal residential properties which are billed for electricity or have pre paid meters as at 30 June 2016 (excluding Eskom areas)	Number of residential properties which are billed for electricity or have pre paid meters as at 30 June 2016 (Excluding Eskom areas)	All	6,904
TL3	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2016	Number of residential properties which are billed for sewerage as at 30 June 2016	All	7,966
TL4	Provide free basic water to indigent households earning less than R4500 as at 30 June 2016	Number of households receiving free basic water as at 30 June 2016	All	2,200
TL5	Provide free basic electricity to indigent households earning less than R4500 as at 30 June 2016	Number of households receiving free basic electricity as at 30 June 2016	All	2,200
TL6	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2016	Number of households receiving free basic sanitation as at 30 June 2016	All	2,200
TL7	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2016	Number of households receiving free basic refuse removal as at 30 June 2016	All	2,200
TL14	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2016 {(Actual amount spent on projects /Total amount budgeted for capital projects)X100}	% of the municipal budget spent by 30 June 2016 {(Actual amount spent on projects as identified for the year in the IDP/Total amount budgeted for capital projects)X100}	All	90%
TL17	Hold a public information meeting by 31 May 2016 to raise awareness with regard to floods before the raining season	Public meeting held by 31 May 2016	All	1

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL18	Hold 12 roadblocks per annum by 30 June 2016 that are verified by the Director responsible on approved template	Number of roadblocks held by 30 June 2016	All	12
TL19	Purchase land by 30 June for the development of low cost housing in Doring Bay	Land purchased by 30 June 2016	2	1
TL20	Service 80 sites by 31 March 2016 for housing development in Klawer	Number of sites serviced	6	80
TL21	Service 50 sites by 31 March 2016 for housing development in Vredendal	Number of sites serviced	4	50
TL22	Purchase a refuse compactor by 31 December 2015	Compactor purchased by 31 December 2015	All	1
TL23	95% of capital budget for Community Services spent by 30 June 2016 to complete capital projects {(Actual expenditure on capital projects divided by the total budget for capital projects )x100}	% of Community Services capital budget spent by 30 June 2016	All	95%
TL24	Review the Housing Settlement Plan and submit to Council by 31 March 2016	Housing Settlement Plan reviewed and submitted to Council by 31 March 2016	All	1
TL25	Review the Disaster Management Plan and submit to Council by 31 March 2016	Disaster Management Plan reviewed and submitted to Council by 31 March 2016	All	1
TL26	Submit monthly waste management reports to the Executive Mayoral Committee that include the tonnage of recyclable and non-recyclable waste	Number of reports submitted Executive Mayoral Committee	All	12
TL27	Submit monthly waste management reports on the templates of the department to the Department of Environmental Affairs and Development Planning	Number of reports submitted to the Department of Environmental Affairs and Development Planning	All	12
TL28	Revise the housing pipe line and submit to Council for approval by 30 June 2016	Revised housing pipeline submitted to Council by 30 June 2016	All	1
TL29	100% of the housing allocation by the Provincial Government spent by 31 March 2016 {(Actual expenditure divided by the total allocation received)x100}	% of the housing allocation spent by 31 March 2016	All	100%
TL37	Develop a proposal for GAP housing development and submit to council for consideration by 30 September 2015	Proposal developed and submitted to council by 30 September 2015	All	1
TL50	Limit unaccounted for electricity to less than 12% by 30 June 2016 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100}	% unaccounted electricity at 30 June 2016 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100}	All	12%
TL51	Install electricity connections to 80 houses in Klawer by 31 March 2016	Number of electricity connections installed by 31 March 2016	6	80

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL52	Install electricity connections to 160 houses in Vredendal Noord by 31 March 2016	Number of electricity connections installed 31 March 2016	3	160
TL53	Limit unaccounted for water to less than 15% by 30 June 2016 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100}	% unaccounted water at 30 June 2016 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100}	All	15%
TL54	Spend 100% of the DWS subsidy for the upgrade of the Desalination Plant in Bitterfontein by 31 March 2016 {(Actual expenditure divided by the subsidy received )×100}	% of subsidy spent for the upgrade of the Desalination Plant in Bitterfontein spent by 31 March 2016 {(Actual expenditure divided by the subsidy received )×100}	8	100%
TL55	Construct 2ML raw water dam (WTW) in Klawer by 30 June 2016	Project Completed by 30 June 2016	6	1
TL56	Upgrade the Doringbay Slipway by 30 June 2016	Project Completed by 30 June 2016	2	1
TL57	Complete phase 2 of the construction of the Klawer WWTW by 31 December 2016	Project Completed by 31 December 2016	6	1
TL58	Upgrade the Klawer WWTW by 30 June 2016	Project Completed by 30 June 2016	6	1
TL59	Construct Bitterfontein Sewerage network by 30 June 2016	Project Completed by 30 June 2016	8	1
TL60	Upgrade Alpha street in Klawer by 30 June 2016	Project Completed by 30 June 2016	6	1
TL61	Construct sidewalks in Lutzville by 30 June 2016	Project Completed by 30 June 2016	1	1

Tabel 149: **To promote access to adequate, affordable and well maintained municipal basic services**

## CHAPTER 4

### 4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organizational Development.

KPA & Indicators	Municipal Achievement	Municipal Achievement
	2013/14	2014/15
The number of people from <b>employment equity</b> target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	2	1
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	0.63%	0.51%

Tabel 150: National KPIs– Municipal Transformation and Organisational Development

### 4.2 PERFORMANCE HIGHLIGHTS – MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

Highlight	Description
Recruitment of personnel	The successful appointment of 40 new permanent employees and the promotion of 6 employees
Training	35 Employees were trained at the end of June 2015. (6 - AET; 5 - Training committee members module; 1 - Records registry clerk course, 3 - Plumbing Apprenticeship training, 3 Bricklaying Apprenticeship training. 1 MFMP, 9 NQF2 Road Construction, 4 NQF Road Construction, 3 RPL Plumbing and Bricklaying ) $(35/40 \times 100 = 87.5\%)$ . There were also adhoc training for 8 councilors and 33 other employees from July 2014 till 30 June 2015
Compliance to competency framework	21 officials should be compliant to the competency framework and 15 officials (71%) completed the training and is in possession of the relevant qualification certificate
Revision of the Clothing (in the workplace) Policy	Approved by Council on 26 August 2014
Revision of the Travel and Subsistence Allowance Policy	Approved by Council on 26 August 2014
Revision of policy regarding the payment of annual bonuses	Approved by Council on 31 March 2015

Highlight	Description
Revision of the Acting Allowance Policy	Approved by Council on 29 May 2015
The appointment of a Health and Safety Officer and better the functioning of the Health and Safety Committee	A Health and Safety Officer was appointed and the Municipal Manager and other senior managers were appointed as representatives of the municipality on the Health and Safety Committee

Tabel 151: **Municipal Transformation and Organisational Development Highlights**

#### 4.3 MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT CHALLENGES

Challenge	Action to address
The revision of the micro organogram according to the newly approved macro organogram into an efficient, effective and functional organogram	Appointment of consultant to compile a draft micro organogram. The consultation thereof with the LLF and the submission thereof to Council for approval
The revision of certain HR policies, for example the Appointment of Personnel Policy	The consultation of relevant policies on the LLF and the submission thereof to Council for approval
The promotion of internal employees to vacant senior posts	Compiling and implementation of a Career Advancement Policy and providing relevant training to internal candidates who does not meet the minimum qualification requirements
Retention of skilled employees and the improvement of the turnover rate	Compiling and implementation of a Retention Policy
Improvement of employment equity targets	The appointment of African, White, females and persons with disability
The reduction of disciplinary cases due to substance abuse.	Wellness programme regarding substance abuse
The pre- & exit medical tests of employees	The appointment of a registered occupational health nurse or an agreement with an occupational health practitioner to provide a bimonthly in-house service to employees
Employee Assistance Programme (EAP)	The implementation of the municipality's approved Employee Assistance Programme
The encouragement of innovative thinking and the recognition of smart/outstanding performance by employees	Compilation and implementation of a Recognition Policy for the municipality
The implementation of the Workplace Skills Plan (WSP) and ad-hoc training within the training budget	Better planning of the training needs by all departments for the WSP and the necessary budgeting thereof
The decrease in the number of injuries on duty	To encourage and support employees to be more safety conscious and take responsibility for their own safety in the work place

Tabel 152: **Municipal Transformation and Organisational Development Challenges**



## 4.4 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Matzikama Municipality currently employs **382** officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

### 4.4.1 Employment Equity

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan"

#### a) Employment Equity targets/actual

African			Coloured			Indian			White		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
130	30	23%	195	319	164%	0	0	0%	57	33	58%

Tabel 153: 2014/15 EE targets/Actual by racial classification

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
202	256	127%	180	126	70%	20	10	50%

Tabel 154: 2014/15 EE targets/actual by gender classification

#### b) Employment Equity vs. Population

Description	African	Coloured	Indian	White	Total
Population numbers	5 705	50 185	397	9 968	66 255
% Population	9%	76%	0%	15%	100%
Number for positions filled	30	319	0	33	382
% for Positions filled	8%	83%	0%	9%	100%

Tabel 155: EE population 2014/15



c) **Occupational Categories – Race**

Below is a table that indicate the number of employees by race within the specific occupational categories:

Posts filled									
Occupational	Male				Female				Total
Categories	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	0	5	0	4	0	2	0	1	12
Professionals	0	2	0	1	0	2	0	5	10
Technicians and associate professionals	1	18	0	6	0	1	0	3	29
Clerks	0	21	0	0	2	46	0	12	81
Service and sales workers	0	11	0	0	0	3	0	0	14
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	3	33	0	0	0	0	0	0	36
Elementary occupations	21	130	0	0	3	45	0	1	200
<b>Total permanent</b>	<b>25</b>	<b>220</b>	<b>0</b>	<b>11</b>	<b>5</b>	<b>99</b>	<b>0</b>	<b>22</b>	<b>382</b>
Non- permanent	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>25</b>	<b>220</b>	<b>0</b>	<b>11</b>	<b>5</b>	<b>99</b>	<b>0</b>	<b>22</b>	<b>382</b>

Tabel 156: **Occupational Categories**

d) **Occupational Levels - Race**

The table below categories the number of employees by race within the occupational levels:

Occupational	Male				Female				Total
Levels	A	C	I	W	A	C	I	W	
Top Management	0	0	0	0	0	0	0	0	0
Senior management	0	4	0	1	0	0	0	0	5
Professionally qualified and experienced specialists and mid- management	0	1	0	4	0	2	0	1	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	44	0	6	0	16	0	11	78
Semi-skilled and discretionary decision making	9	53	0	0	2	41	0	10	115
Unskilled and defined decision making	15	118	0	0	3	40	0	0	176
<b>Total permanent</b>	<b>25</b>	<b>220</b>	<b>0</b>	<b>11</b>	<b>5</b>	<b>99</b>	<b>0</b>	<b>22</b>	<b>382</b>
Non- permanent employees	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>25</b>	<b>220</b>	<b>0</b>	<b>11</b>	<b>5</b>	<b>99</b>	<b>0</b>	<b>22</b>	<b>382</b>

Tabel 157: **Occupational Levels**

e) **Departments - Race**

The following table categories the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Municipal Manager	0	3	0	1	0	1	0	1	6
Development and Town Planning Services	0	5	0	1	0	2	0	4	12
Corporate Services	0	5	0	1	0	18	0	6	30
Financial Services	0	12	0	2	1	24	0	9	48
Community Services	7	67	0	1	3	36	0	2	116
Technical Services	18	128	0	5	1	18	0	0	170
<b>Total permanent</b>	<b>25</b>	<b>220</b>	<b>0</b>	<b>11</b>	<b>5</b>	<b>99</b>	<b>0</b>	<b>22</b>	<b>382</b>
Non- permanent	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>25</b>	<b>220</b>	<b>0</b>	<b>11</b>	<b>5</b>	<b>99</b>	<b>0</b>	<b>22</b>	<b>382</b>

Tabel 158: **Department – Race**

#### 4.4.2 Vacancy Rate

The approved organogram for the municipality had **481** posts for the 2014/15 financial year and 420 of the posts were budgeted for. The actual positions filled are **382** indicated in the tables below by post level and by functional level. **38** budgeted posts were vacant at the end of 2014/15, resulting in a vacancy rate of **8%**.

Per Post Level		
Post level	Filled	Vacant
MM & MSA section 57 & 56	5	1
Middle management	8	1
Admin Officers	193	27
General Workers	176	9
<b>Total</b>	<b>382</b>	<b>38</b>
Per Functional Level		
Functional area	Filled	Vacant
Municipal Manager	6	2
Development and Town Planning Services	12	2
Corporate Services	30	3
Financial Services	48	3
Community Services	116	13

Per Post Level		
Post level	Filled	Vacant
Technical Services	170	15
<b>Total</b>	<b>382</b>	<b>38</b>

Tabel 159: Vacancy rate per post and functional level

The table below indicates the number of staff per level expressed as total positions and current vacancies expressed as full time staff equivalents:

Salary Level	Number of current critical vacancies	Number total posts as per organogram	Vacancy job title	Vacancies as a proportion of total posts per category
Municipal Manager	1	1	Municipal Manager	100%
Chief Financial Officer	0	1	n/a	0%
Other Section 57 Managers	0	4	n/a	0%
Senior Management	3	11	Manager: IDP/LED Manager: Community Facilities Manager: Protection Services	27%
Highly skilled supervision	1	30	Senior Technician (Waste Management)	3%
<b>Total</b>	<b>5</b>	<b>47</b>	<b>n/a</b>	<b>11%</b>

Tabel 160: Vacancy rate per salary level

#### 4.4.3 Turnover rate

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows an increase from 8.4% in 2013/14 to 11.2% in 2014/15.

The table below indicates the turn-over rate over the last two years:

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2013/14	395	27	33	8.4%
2014/15	382	40	43	11.2%

Tabel 161: Turnover Rate

## 4.5 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analyzing and coordinating employee behaviour.

### 4.5.1 Injuries

The injury rate shows a slight increase from 33 employees injured in the 2013/14 financial year to 35 employees in the 2014/15 financial year.

The table below indicates the total number of injuries within the different directorates:

Directorates	2013/14	2014/15
Municipal Manager	0	0
Development and Town Planning Services	0	0
Corporate Services	3	0
Financial Services	3	1
Community Services	13	15
Technical Services	14	19
<b>Total</b>	<b>33</b>	<b>35</b>

Tabel 162: **Injuries**

### 4.5.2 Sick Leave

The total number of sick leave days taken during the 2014/15 financial year shows a decrease when comparing it with the 2013/14 financial year.

The table below indicates the total number sick leave days taken within the different directorates:

Department	2013/14	2014/15
Municipal Manager	43	25
Development and Town Planning Services	-	125
Corporate Services	222	234
Financial Services	633	340
Community Services	677	745
Technical Services	978	913
<b>Total</b>	<b>2 553</b>	<b>2 382</b>

Tabel 163: **Sick Leave**

### 4.5.3 HR Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved and that still needs to be developed:

Approved policies	
Name of policy	Date approved/ revised
Payment of furniture removal costs regarding new appointments	31 July 2001
Consent regarding private work to employees	26 November 2002
Smoking in the workplace	30 June 2003
Misuse of intoxicated substances	30 June 2003
HIV / AIDS in the workplace	30 June 2003
Sexual harassment in the workplace	30 June 2003
Overtime work by employees	22 February 2005
Transport allowance scheme for essential users	6 May 2005
Vehicle scheme for senior officials	31 October 2005
Procedure for the appointment of personnel	1 August 2009
Recruitment of “scarce skills”	13 April 2010
Induction policy	31 January 2011
Performance management policy	2 August 2011
Study bursaries policy	29 October 2013
Employee assistance programme policy	6 December 2013
Standby service and standby allowance policy	31 March 2014
Clothing (in the workplace) policy	26 August 2014
Subsistence and travel policy	26 August 2014
Acting allowance policy	29 May 2015
Use of telephones and cell phones at the workplace	8 June 2015
Policies still to be developed	
Name of policy	Proposed date of approval
Revision of the appointment of personnel policy	December 2015
Career advancement policy	December 2015
Retention policy	December 2015
Recognition policy	December 2015
Employment of internships / students	June 2016
“Whistle blowing” at the workplace	June 2016

Tabel 164: HR policies and plans

## 4.6 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

### 4.6.1 Skills Matrix

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
MM and S57	Female	0	0
	Male	0	0
Legislators, senior officials and managers	Female	2	7
	Male	1	9
Professionals	Female	0	9
	Male	0	5
Associate professionals and Technicians	Female	0	1
	Male	1	4
Clerks	Female	2	14
	Male	2	6
Service and sales workers	Female	0	0
	Male	0	0
Craft and related trade workers	Female	0	0
	Male	5	8
Plant and machine operators and assemblers	Female	0	0
	Male	9	14
Elementary occupations	Female	1	1
	Male	19	16
Sub total	Female	5	32
	Male	35	64
Total		40	96

Tabel 165: Skills Matrix

#### 4.6.2 Skills Development – Training provided

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Training provided within the reporting period						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% Variance
MM and S57	Female	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0
Legislators, senior officials and managers	Female	0	0	7	2	7	2	250
	Male	1	0	9	0	10	0	1 000
Professionals	Female	0	0	9	0	9	0	900
	Male	0	0	4	0	4	0	400
Technicians and associate professionals	Female	0	0	1	0	1	0	100
	Male	0	0	4	0	4	0	400
Clerks	Female	0	0	14	2	14	2	600
	Male	0	0	6	2	6	2	200
Service and sales workers	Female	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0
Craft and related trade workers	Female	0	0	0	0	0	0	0
	Male	2	5	6	0	8	5	60
Plant and machine operators and assemblers	Female	0	0	0	0	0	0	0
	Male	14	9	0	0	14	9	55
Elementary occupations	Female	1	1	0	0	1	1	0
	Male	12	19	4	0	16	19	(16)
Sub total	Female	1	1	31	4	31	5	520
	Male	29	33	35	2	64	35	83
Total		30	34	66	6	96	40	135

Tabel 166: Skills Development



### 4.6.3 Skills Development - Budget allocation

The table below indicates that a total amount of **R561 000** was allocated to the workplace skills plan and that **81%** of the total amount was spent in the 2014/15 financial year:

Total personnel budget	Total Allocated	Total Spend	% Spend
R'000			%
88 886	561	455	81%

Tabel 167: Budget allocated and spent for skills development

## 4.7 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

### 4.7.1 Personnel Expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the municipality is well within the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage (%)
	R'000		
2013/14	79 636	202 072	39.41
2014/15	87 007	225 489	38.59

Tabel 168: Personnel Expenditure

## Annual Report 2014/15

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2013/14	2014/15		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Councillors (Political Office Bearers plus Other)				
Salary	4 051	4 510	4 510	4 448
Pension Contributions	455	425	425	435
Medical Aid Contributions	80	67	67	106
Motor vehicle allowance	414	422	422	345
Cell phone allowance	301	332	332	309
Housing allowance	0	0	0	0
Other benefits or allowances	0	0	0	0
In-kind benefits	0	0	0	0
Sub Total	5 301	5 756	5 756	5 642
% increase/ (decrease)	-	8.58%	8.58%	6.43%
Senior Managers of the Municipality				
Salary	2 362	3 755	3 335	2 496
Pension Contributions	468	627	547	476
Medical Aid Contributions	127	172	171	122
Motor vehicle allowance	305	484	483	302
Cell phone allowance	0	0	0	0
Housing allowance	31	0	0	13
Performance Bonus	119	0	0	110
Other benefits or allowances	380	0	0	355
In-kind benefits	0	0	0	0
Sub Total	3 792	5 037	4 538	3 874
% increase/ (decrease)	-	32.83%	19.67%	2.16%
Other Municipal Staff				
Basic Salaries and Wages	52 289	54 545	55 912	57 184
Pension Contributions	8 157	9 460	9 920	8 905
Medical Aid Contributions	2 163	2 820	2 920	2 525
Motor vehicle allowance	2 878	3 362	3 285	2 938
Cell phone allowance	25	3	6	19
Housing allowance	134	228	307	191
Overtime	2 246	2 175	2 035	2 839

Financial year	2013/14	2014/15		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Other benefits or allowances	2 650	4 349	4 208	2 888
In-kind benefits	0	0	0	0
Sub Total	70 542	76 943	78 592	77 490
% increase/ (decrease)	-	9.07%	11.41%	9.85%
Total Municipality	79 636	87 736	88 886	87 007
% increase/ (decrease)	-	10.17%	11.62%	9.26%

Tabel 169: Personnel Expenditure

## 4.8 MFMA COMPETENCIES

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted to 30 September 2015 in terms of Government Notice 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

21 Employees were identified to obtain the above-mentioned qualification and prescribed competencies. Progress is as follows:

- 15 employees completed the Municipal Minimum Competency Level training
- 6 employees are still busy finalizing their training

The table below provides details of the financial competency development progress as required by the Annexure to the regulations:

Financial Competency Development: Progress Report				
Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting officer	0	0	0	0
Chief financial officer	1	0	1	1
Senior managers	5	0	4	4
Any other financial officials	14	0	0	8
Supply Chain Management Officials				
Heads of supply chain management units	1	0	0	1
Supply chain management senior managers	1	0	0	1
<b>Total</b>	<b>22</b>	<b>0</b>	<b>5</b>	<b>15</b>

Tabel 170: Financial Competency Development: Progress Report

## CHAPTER 5

This chapter provides details regarding the financial performance of the municipality for the 2013/14 financial year.

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of Financial Performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

#### 5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2014/15 financial year:

Financial Summary						
R'000						
Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjusted Budget %
Financial Performance						
Property rates	28 858	31 210	34 071	32 574	4.19	-4.60
Service charges	109 407	118 499	126 023	128 031	7.44	1.57
Investment revenue	231	190	500	939	79.77	46.78
Transfers recognised - operational	45 000	56 870	50 327	49 640	-14.56	-1.38
Other own revenue	16 503	20 999	22 400	33 165	36.68	32.46
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>199 998</b>	<b>227 768</b>	<b>233 320</b>	<b>244 350</b>	<b>6.79</b>	<b>4.51</b>
Employee costs	74 334	81 980	83 130	81 364	-0.76	-2.17
Remuneration of councillors	5 301	5 756	5 756	5 642	-2.02	-2.02
Depreciation & asset impairment	9 094	13 072	11 772	11 567	-13.01	-1.77
Finance charges	7 663	7 382	7 937	7 898	6.53	-0.50
Materials and bulk purchases	66 829	69 965	72 665	73 819	5.22	1.56
Transfers and grants	880	937	937	928	-0.89	-0.89
Other expenditure	37 970	47 666	52 117	44 270	-7.67	-17.72
<b>Total Expenditure</b>	<b>202 072</b>	<b>226 757</b>	<b>234 313</b>	<b>225 489</b>	<b>-0.56</b>	<b>-3.91</b>

Financial Summary						
R'000						
Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjusted Budget %
<b>Surplus/(Deficit)</b>	<b>(2 073)</b>	<b>1 011</b>	<b>(993)</b>	<b>18 861</b>	<b>94.64</b>	<b>105.26</b>
Transfers recognised - capital	27 593	23 853	26 861	26 251	9.14	-2.32
Contributions recognised - capital & contributed assets	0	0	0	0	0	0
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>25 520</b>	<b>24 864</b>	<b>25 869</b>	<b>45 112</b>	<b>44.88</b>	<b>42.66</b>
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	25 797	23 853	26 861	25 492	6.43	-5.37
Public contributions & donations	0	0	0	0	0	0
Borrowing	0	0	0	0	0	0
Internally generated funds	1 230	3 827	13 788	10 599	63.89	-30.09
<b>Total sources of capital funds</b>	<b>27 027</b>	<b>27 680</b>	<b>40 649</b>	<b>36 091</b>	<b>23.31</b>	<b>-12.63</b>
Financial position						
Total current assets	18 311	35 083	28 248	28 580	-22.75	1.16
Total non-current assets	503 366	495 885	500 658	542 432	8.58	7.70
Total current liabilities	44 904	45 260	35 488	41 675	-8.60	14.84
Total non-current liabilities	94 916	93 845	102 706	102 368	8.33	-0.33
Community wealth/Equity	381 857	391 863	390 713	426 969	8.22	8.49
Cash flows						
Net cash from (used) operating	30 449	29 774	29 791	40 441	26.38	26.33
Net cash from (used) investing	(23 869)	(19 543)	(24 858)	(27 249)	28.28	8.77
Net cash from (used) financing	(6 200)	(8 204)	(5 828)	(5 158)	-59.05	-12.99
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>380</b>	<b>2 026</b>	<b>(895)</b>	<b>8 034</b>	<b>74.78</b>	<b>111.14</b>
Cash backing/surplus reconciliation						

Financial Summary						
R'000						
Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjusted Budget %
Cash and investments available	(4 009)	4 980	1 804	4 285	-16.22	57.91
Application of cash and investments	0	6 088	(3 927)	0	0	0
<b>Balance - surplus (shortfall)</b>	<b>(4 009)</b>	<b>(1 107)</b>	<b>5 730</b>	<b>4 285</b>	<b>125.84</b>	<b>-33.72</b>
Asset management						
Asset register summary (WDV)	440 403	495 885	500 498	475 933	-4.19	-5.16
Depreciation & asset impairment	9 094	13 072	11 772	11 567	-13.01	-1.77
Renewal of Existing Assets	3 515	20 999	29 381	26 823	21.71	-9.54
Repairs and Maintenance	8 026	9 451	9 566	8 228	-14.87	-16.27
Free services						
Cost of Free Basic Services provided	7	1 072	1 072	1 072	0	0
Revenue cost of free services provided	1 926	3 491	3 491	3 491	0	0
Households below minimum service level						
Water:	0	0	0	0	0	0
Sanitation/sewerage:	0	0	0	0	0	0
Energy:	11	11	11	11	0	0
Refuse:	0	0	0	0	0	0
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Tabel 171: Financial Performance 2014/15

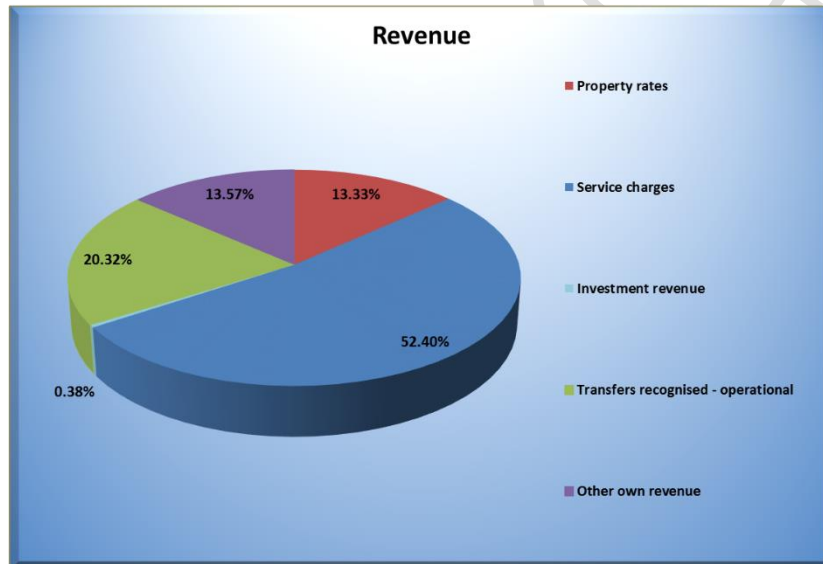
The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
2013/14	239 366	227 592	(11 774)	-5	208 795	202 072	6 724	3
2014/15	260 182	270 601	10 420	4	234 313	225 489	8 824	4

Tabel 172: Performance against budgets

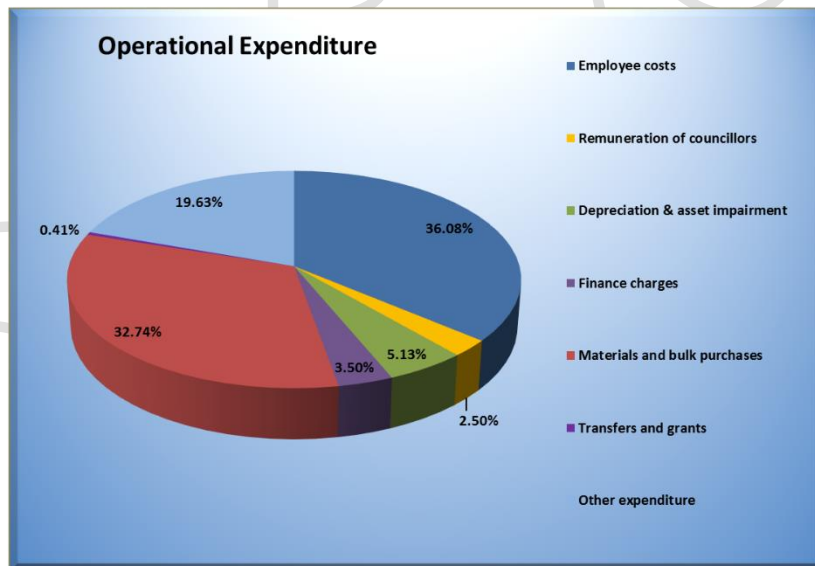


The following graph indicates the various types of revenue items in the municipal budget for 2014/15



Graph 12.: Revenue

The following graph indicates the various types of operational expenditure items in the municipal budget for 2014/15



Graph 13.: Operating expenditure

### 5.1.1 Revenue collection by Vote

The table below indicates the revenue collection performance by vote:

Vote Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjusted Budget %
	R'000					
Vote 1 - Executive & Council	574	271	371	11 797	97.70	96.86
Vote 2 - Finance	91 204	87 698	100 765	102 697	14.61	1.88
Vote 3 - Corporate	6 001	16 436	16 337	9 427	-74.35	-73.30
Vote 4 - Community Services	19 410	29 444	22 834	24 234	-21.50	5.78
Vote 5 - Technical Services	110 402	117 772	119 875	122 446	3.82	2.10
<b>Total Revenue by Vote</b>	<b>227 592</b>	<b>251 621</b>	<b>260 182</b>	<b>270 601</b>	<b>7.01</b>	<b>3.85</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Tabel 173: Revenue by Vote

### 5.1.2 Revenue collection by Source

The table below indicates the revenue collection performance by source for the 2014/15 financial year:

Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjusted Budget %
	R'000					
Property rates	28 858	31 210	34 071	32 574	4.19	-4.60
Property rates - penalties & collection charges	0	0	0	0	0	0
Service Charges - electricity revenue	75 138	80 965	85 086	84 375	4.04	-0.84
Service Charges - water revenue	13 145	13 172	14 199	17 695	25.56	19.75
Service Charges - sanitation revenue	11 940	13 090	13 218	12 966	-0.95	-1.94
Service Charges - refuse revenue	9 184	11 272	13 519	12 995	13.26	-4.03
Service Charges - other	0	0	0	0	0	0
Rentals of facilities and equipment	2 626	4 008	4 110	3 342	-19.94	-22.99
Interest earned - external investments	231	190	500	939	79.77	46.78
Interest earned - outstanding debtors	2 075	1 974	1 974	2 396	17.63	17.63
Dividends received	0	0	0	0	0	0
Fines	1 711	1 528	2 145	3 566	57.16	39.86

Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjusted Budget %
	R'000					
Licences and permits	1 067	1 681	1 682	1 125	-49.45	-49.53
Agency services	2 074	2 000	2 200	2 417	17.25	8.97
Transfers recognised - operational	45 000	56 870	50 327	49 640	-14.56	-1.38
Other revenue	6 171	2 309	2 790	20 321	88.64	86.27
Gains on disposal of PPE	779	7 500	7 500	0	0	0
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>199 999</b>	<b>227 768</b>	<b>233 320</b>	<b>244 350</b>	<b>6.79</b>	<b>4.51</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Tabel 174: Revenue by Source

### 5.1.3 Operational Services Performance

The table below indicates the Operational services performance for the 2014/15 financial year:

Financial Performance of Operational Services						
R'000						
Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjusted Budget %
Operating Cost						
Water	238	-	(1 608)	2 021	100.00	179.55
Waste Water (Sanitation)	6 717	7 438	5 461	6 413	-15.99	14.84
Electricity	5 684	4 779	7 006	4 790	0.23	-46.27
Waste Management	2 035	1 088	2 421	4 377	75.14	44.69
Housing	(377)	(464)	(353)	(232)	-99.95	-52.37
<b>Component A: sub-total</b>	<b>14 297</b>	<b>12 841</b>	<b>12 927</b>	<b>17 369</b>	<b>26.07</b>	<b>25.57</b>
Roads and Stormwater	(13 718)	(17 368)	(17 045)	(16 760)	-3.63	-1.70
<b>Component B: sub-total</b>	<b>(13 718)</b>	<b>(17 368)</b>	<b>(17 045)</b>	<b>(16 760)</b>	<b>-3.63</b>	<b>-1.70</b>
Planning	(1 751)	(2 124)	(2 117)	(2 121)	-0.15	0.19
Local Economic Development	(1 611)	(2 001)	(2 606)	(2 053)	2.50	-26.98
<b>Component C: sub-total</b>	<b>(3 362)</b>	<b>(4 125)</b>	<b>(4 723)</b>	<b>(4 174)</b>	<b>1.16</b>	<b>-13.17</b>
Libraries	81	1 839	54	172	-969.38	68.60
Social services & community development	0	0	0	0	0	0

Financial Performance of Operational Services						
R'000						
Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjusted Budget %
<b>Component D: sub-total</b>	<b>81</b>	<b>1 839</b>	<b>54</b>	<b>172</b>	<b>-969.38</b>	<b>68.60</b>
Environmental Protection (Pollution Control, Bio-Diversity, Landscape, Open Spaces, Parks, and Coastal Protection)	0	0	0	0	0	0
<b>Component E: sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Traffic & licensing	(1 307)	(2 874)	(2 754)	(1 217)	-136.13	-126.29
Executive & Council	0	0	0	0	0	0
<b>Component F: sub-total</b>	<b>(1 307)</b>	<b>(2 874)</b>	<b>(2 754)</b>	<b>(1 217)</b>	<b>-136.13</b>	<b>-126.29</b>
Holiday Resorts and Campsites	951	1 477	1 460	1 211	-22.01	-20.60
Swimming Pools, Stadiums and Sport Ground	(3 634)	(3 890)	(3 971)	(3 868)	-0.58	-2.65
Community halls, facilities, Thusong centres	(5 075)	(5 957)	(5 968)	(5 589)	-6.58	-6.79
<b>Component G: sub-total</b>	<b>(7 758)</b>	<b>(8 370)</b>	<b>(8 479)</b>	<b>(8 246)</b>	<b>-1.50</b>	<b>-2.82</b>
Financial Services	51 838	50 567	56 342	61 093	17.23	7.78
Office of the MM	(2 813)	(3 453)	(3 380)	8 653	139.91	139.06
Administration	(4 129)	2 460	2 179	(2 884)	185.31	175.57
HR	(7 607)	(6 654)	(9 254)	(8 893)	25.18	-4.06
<b>Component H: sub-total</b>	<b>37 288</b>	<b>42 920</b>	<b>45 887</b>	<b>57 969</b>	<b>25.96</b>	<b>20.84</b>
<b>Total Expenditure</b>	<b>25 521</b>	<b>24 864</b>	<b>25 868</b>	<b>45 113</b>	<b>44.89</b>	<b>42.66</b>
In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Tabel 175: Operational Services Performance

## 5.2 Financial Performance per Municipal Function

### 5.2.1 Water Services

Description	2013/14	2014/15			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	14 335	14 576	14 488	17 988	18.97
Expenditure:					
Employees	4 727	5 071	5 036	5 080	0.18
Repairs and Maintenance	1 512	1 795	1 766	1 821	1.43
Other	7 858	7 710	9 294	9 065	14.96
<b>Total Operational Expenditure</b>	14 097	14 576	16 096	15 967	8.71
<b>Net Operational (Service) Expenditure</b>	238	0	(1 608)	2 021	100.00
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Tabel 176: Financial Performance: Water services

### 5.2.2 Waste Water (Sanitation)

Description	2013/14	2014/15			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	17 262	17 919	15 828	15 796	-13.44
Expenditure:					
Employees	3 384	3 690	3 506	3 757	1.79
Repairs and Maintenance	736	854	784	677	-26.18
Other	6 425	5 937	6 077	4 950	-19.95
<b>Total Operational Expenditure</b>	10 546	10 481	10 367	9 384	-11.70
<b>Net Operational (Service) Expenditure</b>	6 717	7 438	5 461	6 413	-15.99
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Tabel 177: Financial Performance: Waste Water (Sanitation) services

### 5.2.3 Electricity

Description	2013/14	2014/15			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'ooo				%
<b>Total Operational Revenue</b>	75 888	81 665	85 949	85 284	4.24
Expenditure:					
Employees	5 865	6 406	6 192	6 024	-6.34
Repairs and Maintenance	932	1 018	1 098	1 033	1.50
Other	63 195	69 462	71 653	73 436	5.41
<b>Total Operational Expenditure</b>	69 992	76 886	78 943	80 494	4.48
<b>Net Operational (Service) Expenditure</b>	5 895	4 779	7 006	4 790	0.23
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Tabel 178: Financial Performance: Electricity

### 5.2.4 Waste Management

Description	2013/14	2014/15			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'ooo				%
<b>Total Operational Revenue</b>	12 889	15 714	15 715	15 364	-2.28
Expenditure:					
Employees	8 616	9 020	8 668	8 934	-0.95
Repairs and Maintenance	1 151	1 085	1 085	766	-41.59
Other	1 087	4 521	3 541	1 286	-251.51
<b>Total Operational Expenditure</b>	10 854	14 626	13 294	10 987	-33.12
<b>Net Operational (Service) Expenditure</b>	2 035	1 088	2 421	4 377	75.14
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Tabel 179: Financial Performance: Waste Management

## 5.2.5 Housing

Description	2013/14	2014/15			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	241	7 743	332	284	-2630.78
Expenditure:					
Employees	581	676	634	471	-43.72
Repairs and Maintenance	1	5	4	-	100.00
Other	37	7 525	47	45	-16673.00
<b>Total Operational Expenditure</b>	618	8 207	685	516	-1491.99
<b>Net Operational (Service) Expenditure</b>	(377)	(464)	(353)	(232)	-99.95
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Tabel 180: Financial Performance: Housing

## 5.2.6 Roads and Stormwater

Description	2013/14	2014/15			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	4 822	1 264	1 264	1 269	0.41
Expenditure:					
Employees	9 792	11 167	11 108	10 755	-3.83
Repairs and Maintenance	1 322	1 440	1 518	1 442	0.15
Other	7 425	6 025	5 683	5 832	-3.30
<b>Total Operational Expenditure</b>	18 539	18 632	18 309	18 029	-3.34
<b>Net Operational (Service) Expenditure</b>	(13 718)	(17 368)	(17 045)	(16 760)	-3.63
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Tabel 181: Financial Performance: Roads and Stormwater



5.2.7 LED

Description	2013/14	2014/15			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	135	161	161	137	-17.37
Expenditure:					
Employees	1 375	1 494	1 899	1 765	15.36
Repairs and Maintenance	6	10	10	10	-1.19
Other	364	659	859	415	-58.67
<b>Total Operational Expenditure</b>	1 746	2 162	2 767	2 190	1.26
<b>Net Operational (Service) Expenditure</b>	(1 611)	(2 001)	(2 606)	(2 053)	2.50

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Tabel 182: Financial Performance: LED

5.2.8 Planning (Development Management, Spatial Planning and Environmental Management, Building Control, And Property Management)

Description	2013/14	2014/15			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	453	477	484	424	-12.51
Expenditure:					
Employees	2 142	2 392	2 392	2 385	-0.32
Repairs and Maintenance	0	0	0	0	0
Other	62	209	209	160	-30.32
<b>Total Operational Expenditure</b>	2 204	2 601	2 601	2 545	-2.21
<b>Net Operational (Service) Expenditure</b>	(1 751)	(2 124)	(2 117)	(2 121)	-0.15

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Tabel 183: Financial Performance: Planning

## 5.2.9 Libraries

Description	2013/14	2014/15			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	3 384	5 725	5 144	5 131	-11.59
Expenditure:					
Employees	2 800	3 042	4 300	4 040	24.70
Repairs and Maintenance	52	156	116	148	-5.32
Other	451	688	675	771	10.68
<b>Total Operational Expenditure</b>	3 303	3 886	5 091	4 959	21.63
<b>Net Operational (Service) Expenditure</b>	81	1 839	54	172	-968.05
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Tabel 184: Financial Performance: Libraries

## 5.2.10 Traffic Services and Law Enforcement

Description	2013/14	2014/15			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	5 498	5 145	5 957	7 769	33.77
Expenditure:					
Employees	5 486	6 483	6 515	6 716	3.47
Repairs and Maintenance	165	228	208	177	-28.56
Other	1 155	1 308	1 988	2 093	37.50
<b>Total Operational Expenditure</b>	6 806	8 019	8 711	8 986	10.77
<b>Net Operational (Service) Expenditure</b>	(1 307)	(2 874)	(2 754)	(1 217)	-136.04
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Tabel 185: Financial Performance: Traffic Services and Law Enforcement

### 5.2.11 Holiday Resorts and Campsites

Description	2013/14	2014/15			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	1 751	2 345	2 340	2 101	-11.61
Expenditure:					
Employees	471	426	428	567	24.90
Repairs and Maintenance	124	195	195	102	-91.91
Other	205	247	257	222	-11.35
<b>Total Operational Expenditure</b>	800	868	880	891	2.54
<b>Net Operational (Service) Expenditure</b>	951	1 477	1 460	1 211	-22.01
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Tabel 186: Financial Performance: Holiday Resorts and Campsites

### 5.2.12 Swimming Pools and Sport Grounds

Description	2013/14	2014/15			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	138	134	104	72	-85.70
Expenditure:					
Employees	2 791	2 837	2 935	2 944	3.63
Repairs and Maintenance	379	429	394	345	-24.50
Other	602	758	745	651	-16.34
<b>Total Operational Expenditure</b>	3 772	4 024	4 075	3 940	-2.14
<b>Net Operational (Service) Expenditure</b>	(3 634)	(3 890)	(3 971)	(3 868)	-0.58
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Tabel 187: Financial Performance: Tourism

### 5.2.13 Community Facilities and Thusong Centre

Description	2013/14	2014/15			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	645	711	732	752	5.50
Expenditure:					
Employees	4 258	4 619	4 633	4 986	7.37
Repairs and Maintenance	596	556	576	545	-2.12
Other	867	1 493	1 491	810	-84.28
<b>Total Operational Expenditure</b>	5 721	6 667	6 700	6 341	-5.15
<b>Net Operational (Service) Expenditure</b>	(5 075)	(5 957)	(5 968)	(5 589)	-6.58
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Tabel 188: Financial Performance: Community Facilities and Thusong Centre

### 5.2.14 Office of the Municipal Manager

Description	2013/14	2014/15			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	389	0	100	11 660	100.00
Expenditure:					
Employees	2 500	2 992	2 924	2 607	-14.75
Repairs and Maintenance	16	25	20	19	-29.29
Other	686	436	536	380	-14.61
<b>Total Operational Expenditure</b>	3 202	3 453	3 480	3 007	-14.82
<b>Net Operational (Service) Expenditure</b>	(2 813)	(3 453)	(3 380)	8 653	139.91
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Tabel 189: Financial Performance: Office of the Municipal Manager

### 5.2.15 Financial Services

Description	2013/14	2014/15			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	87 777	87 808	100 874	102 698	14.50
Expenditure:					
Employees	18 319	20 023	20 148	19 145	-4.59
Repairs and Maintenance	636	735	834	825	10.87
Other	16 984	16 483	23 551	21 635	23.81
<b>Total Operational Expenditure</b>	35 939	37 241	44 533	41 605	10.49
<b>Net Operational (Service) Expenditure</b>	51 838	50 567	56 342	61 093	17.23

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Tabel 190: Financial Performance: Office of the Financial Services

### 5.2.16 Administration

Description	2013/14	2014/15			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	1 961	9 704	10 178	3 664	-164.82
Expenditure:					
Employees	2 121	2 781	2 478	2 289	-21.48
Repairs and Maintenance	398	480	495	318	-50.92
Other	3 571	3 982	4 946	3 941	-1.06
<b>Total Operational Expenditure</b>	6 090	7 243	7 999	6 548	-10.62
<b>Net Operational (Service) Expenditure</b>	(4 129)	2 460	2 179	(2 884)	185.31

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Tabel 191: Financial Performance: Administration

### 5.2.17 Human Resources

Description	2013/14	2014/15			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	23	530	530	208	-154.58
Expenditure:					
Employees	4 406	4 604	5 078	4 539	-1.43
Repairs and Maintenance	0	0	0	0	0
Other	3 224	2 580	4 706	4 562	43.45
<b>Total Operational Expenditure</b>	<b>7 630</b>	<b>7 184</b>	<b>9 784</b>	<b>9 101</b>	<b>21.06</b>
<b>Net Operational (Service) Expenditure</b>	<b>(7 607)</b>	<b>(6 654)</b>	<b>(9 254)</b>	<b>(8 893)</b>	<b>25.18</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Tabel 192: Financial Performance: Human Resources

## 5.3 Grants

### 5.3.1 Grant Performance

The performance in the spending of these grants is summarised as follows:

Description	2013/14	2014/15			2014/15 Variance	
	Actual (Audited Outcome)	Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
<b>National Government:</b>	<b>41 064</b>	<b>43 507</b>	<b>43 507</b>	<b>43 507</b>	<b>0</b>	<b>0</b>
Equitable share	37 874	39 922	39 922	39 922	0	0
Municipal Systems Improvement Grant	890	934	934	934	0	0
Local Government Financial Management Grant	1 300	1 450	1 450	1 450	0	0
Expanded Public Works Programme integrated for municipalities	1 000	1 201	1 201	1 201	0	0
<b>Provincial Government:</b>	<b>4 004</b>	<b>6 692</b>	<b>8 523</b>	<b>8 023</b>	<b>16.59</b>	<b>-6.23</b>
FMSG	350	0	998	998	100.00	0
Municipal Performance Management Grant	0	0	100	100	0	0
Municipal Infrastructure Support Grant	0	0	250	250	0	0
CDW	164	157	140	140	-12.14	0
Public Transport Infrastructure	0	46	46	46	0	0
Library Services	3 490	6 489	6 489	6 489	0	0

Description	2013/14	2014/15			2014/15 Variance	
	Actual (Audited Outcome)	Budget	Adjust- ments Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
Municipal Capacity Building Grant	0	0	500	0	0	0
<b>Total Operating Transfers and Grants</b>	<b>45 068</b>	<b>50 199</b>	<b>52 030</b>	<b>51 390</b>	<b>2.58</b>	<b>-0.97</b>

Tabel 193: Grant Performance for 2014/15

### 5.3.2 Conditional Grants (Excluding MIG)

Details	2013/14	2014/15			2014/15 Variance	
	Actual	Budget	Adjustments Budget	Actual	Budget	Adjustments Budget
	R'000				%	
Financial Management Grant (FMG)	1 300	1 450	1 450	1 450	0.00	0.00
Municipal Systems Improvement Grant (MSIG)	890	934	934	729	-28.08	-28.08
Expanded Public Works Program (EPWP)	1 000	1 201	1 201	1 201	0.00	0.00
Financial Management Support Grant (FMSG)	350	0	998	998	100.00	0.00
Library Services Grant	3 490	6 489	6 489	6 489	0.00	0.00
Department of Sport and Culture	0	0	0	0	0.00	0.00
Public Transport Infrastructure	0	46	46	46	0.00	0.00
Community Development Worker's Operational grant (CDW)	164	157	148	148	-6.21	0.00
Neighbourhood Development Partnership Grant (NDPG)	2 431	311	311	311	0.00	0.00
Department of Mineral Resources (INEP)	601	1 500	1 500	1 085	-38.21	-38.21
Municipal Performance Management Grant	0	0	100	100	0.00	0.00
Municipal Capacity Building Grant	0	0	500	-	0.00	0.00
Municipal Infrastructure Support Grant	0	0	250	250	0.00	0.00
Working for Water - DWAF	340	1 058	1 058	1 058	0.00	0.00
Equitable share	37 874	39 922	39 922	39 922	0.00	0.00
<b>Total</b>	<b>48 440</b>	<b>53 068</b>	<b>54 907</b>	<b>53 787</b>	<b>1.34</b>	<b>-2.08</b>
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in par 5.9.2. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Tabel 194: Conditional Grant (excl. MIG)

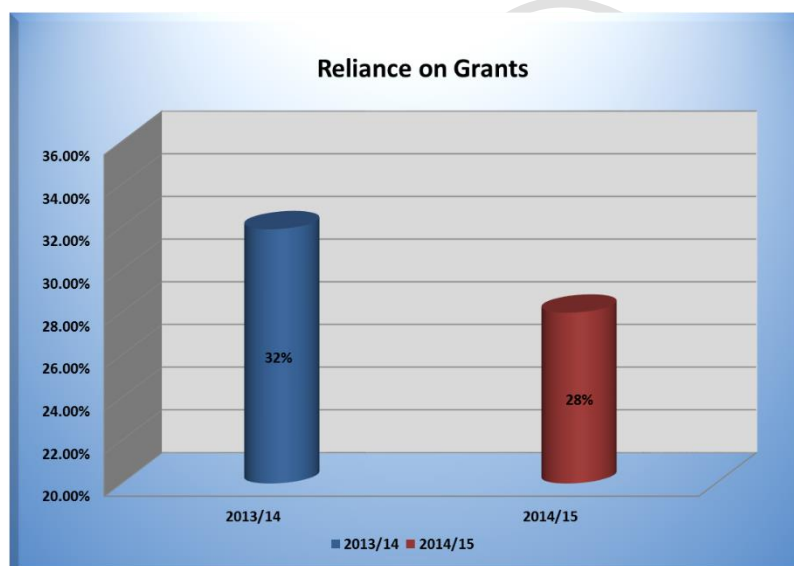


### 5.3.3 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'ooo	R'ooo	%
2013/14	72 593	227 592	31.90
2014/15	75 892	270 601	28.05

Tabel 195: Reliance on grants

The following graph indicates the municipality's reliance on grants as percentage for the last two financial years.



Graph 14.: Reliance on grants

## 5.4 Asset Management

The three main projects undertaken were all in aid of providing the required infrastructure to support housing development.

### 5.4.1 Treatment of the Three Largest Assets

Asset 1		
Name	Klawer Upgrading WWTW	
Description	Infrastructure	
Asset Type	Purification Works	
Key Staff Involved	Managers, Technicians and Superintendents	
Asset Value as at 30 June 2015	2013/14 (R'000)	2014/15 (R'000)
	43	8 894
Capital Implications	Upgrading of Infrastructure	
Future Purpose of Asset	Increased lifespan of Infrastructure	
Describe Key Issues	None	
Policies in Place to Manage Asset	Asset Management Policy	

Asset 2		
Name	Matzikama Municipality Farms 270 Plaas Street	
Description	Property Management	
Asset Type	Land - Investment Properties	
Asset Value as at 30 June 2015	2013/14 (R'000)	2014/15 (R'000)
	12 097	12 097
Capital Implications	n/a	
Future Purpose of Asset	Investment Property - capital appreciation	
Describe Key Issues	n/a	
Policies in Place to Manage Asset	Asset Management Policy	

Asset 3		
Name	Sport Ground Vredendal	
Description	Matzikama Municipality Dam Wyk 6 Suid	
Asset Type	Recreation Centres	
Asset Value as at 30 June 2015	2013/14 (R'000)	2014/15 (R'000)
	5 574	5 574

Asset 3	
Capital Implications	n/a
Future Purpose of Asset	Sport Facility
Describe Key Issues	n/a
Policies in Place to Manage Asset	n/a

Tabel 196: Treatment of the Three Largest Assets

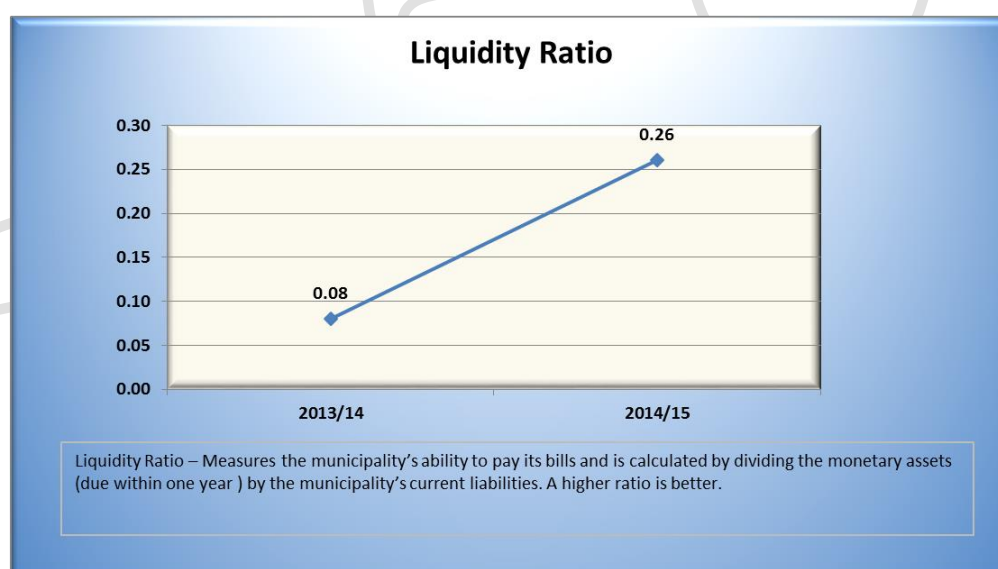
## 5.5 Financial Ratios Based on Key Performance Indicators

### 5.5.1 Liquidity Ratio

Description	Basis of calculation	2013/14	2014/15
		Audited outcome	Pre-audit outcome
Current Ratio	Current assets/current liabilities	0.41	0.69
Liquidity Ratio	Monetary Assets/Current Liabilities	0.08	0.26

Tabel 197: Liquidity Financial Ratio

The following graph indicates the liquidity financial ratio for 2014/15:



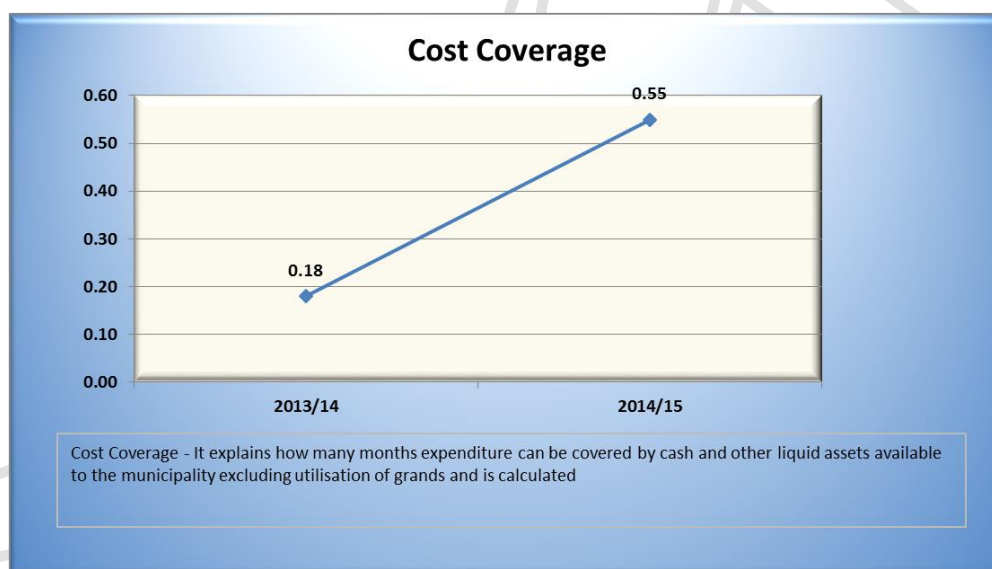
Graph 15.: Liquidity ratio

### 5.5.2 IDP Regulation Financial Viability Indicators

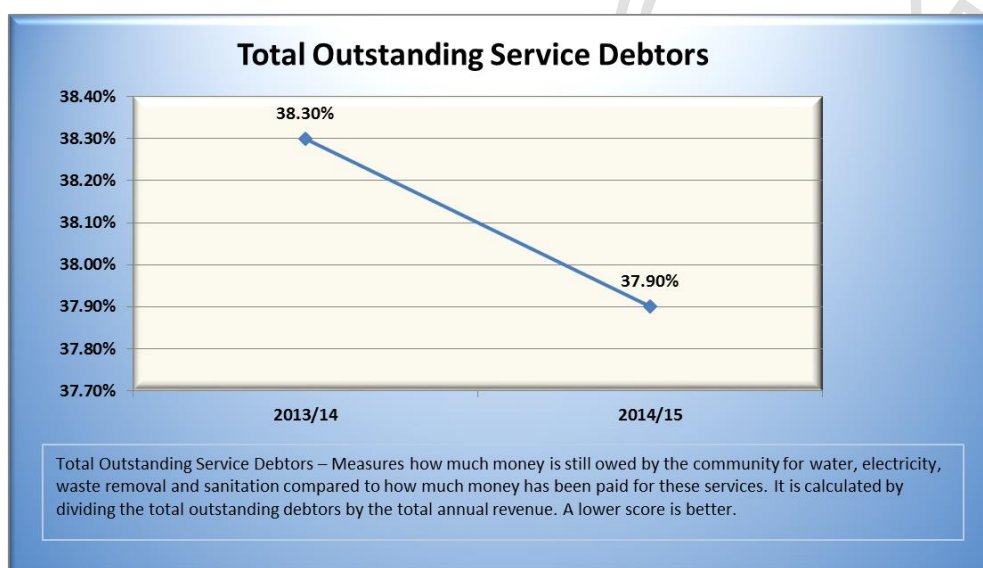
Description	Basis of calculation	2013/14	2014/15
		Audited outcome	Pre-audit outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.18 : 1	0.55 : 1
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	38.30%	37.90%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	15.83	25.17

Tabel 198: Financial Viability National KPAs

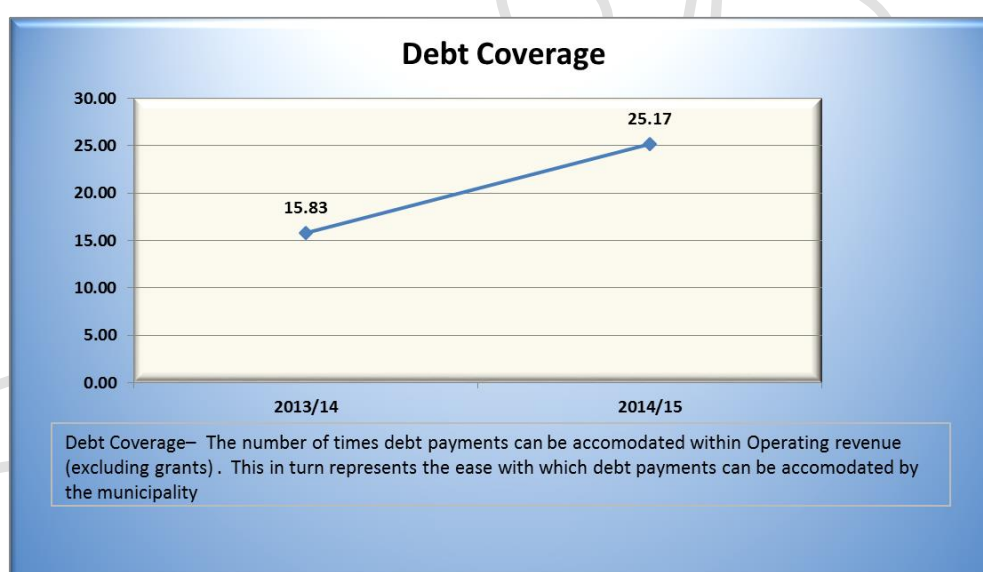
The following graphs indicate the financial viability indicators:



Graph 16.: Cost coverage



Graph 17.: Total outstanding service debtors



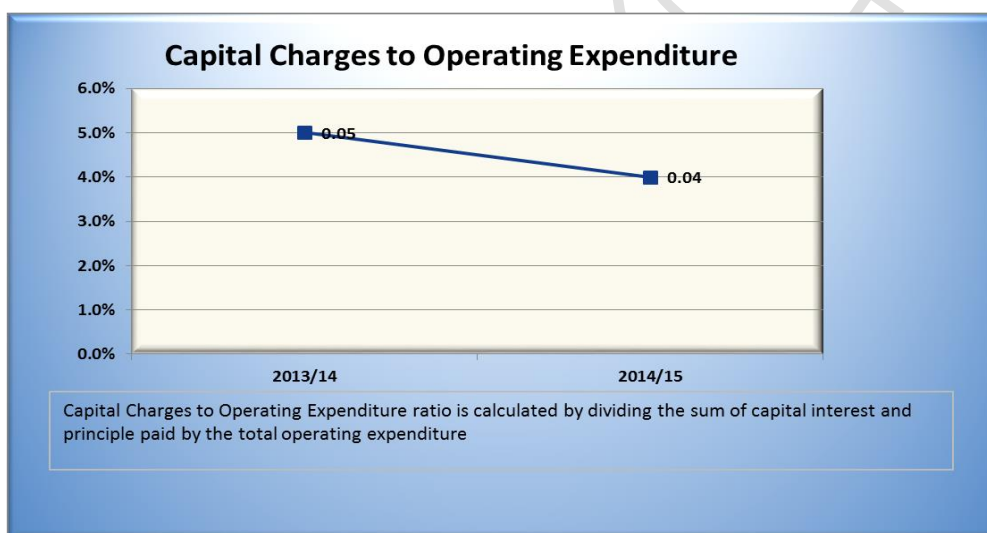
Graph 18.: Debt coverage

### 5.5.3 Borrowing Management

Description	Basis of calculation	2013/14	2014/15
		Audited outcome	Pre-audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.05	0.04

Tabel 199: Borrowing Management

The following graph indicates the ratio of capital charges to operating expenditure:



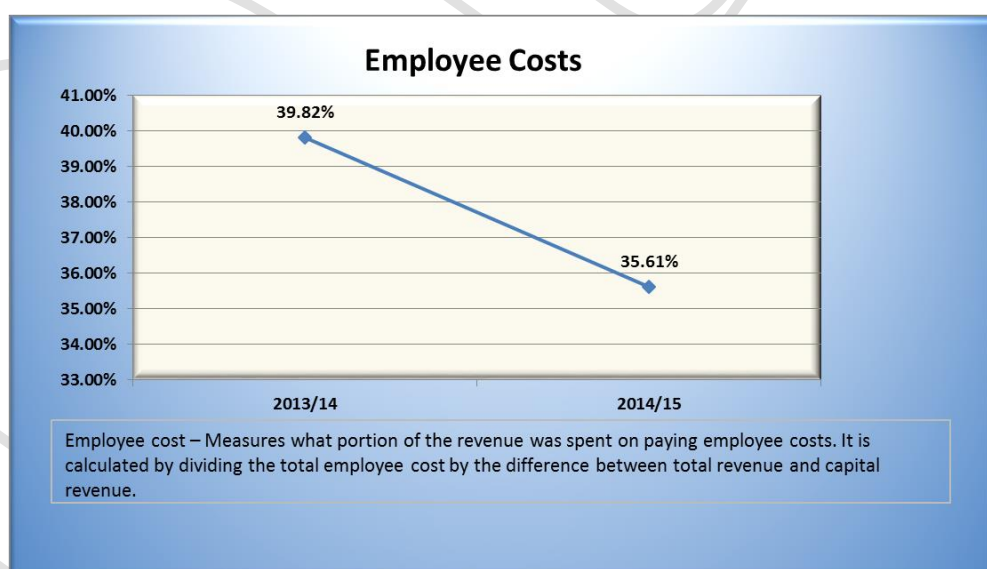
Graph 19.: Capital charges to operating expenditure ratio

#### 5.5.4 Employee costs

Description	Basis of calculation	2013/14	2014/15
		Audited outcome	Pre-audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	39.82%	35.61%

Tabel 200: Employee Costs

The following graph indicates the employee costs ratio:



Graph 20.: Employee costs ratio

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.6 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2014/15 financial year:

Details	2013/14	2014/15				
	Actual	Original Budget (OB)	Adjusted Budget	Actual	Adjusted to OB Variance	Actual to OB Variance
	R' 000				%	
Source of finance						
External loans	0	0	0	0	0	0
Public contributions and donations	0	0	0	0	0	0
Grants and subsidies	25 797	23 853	26 861	25 492	12.61	-5.74
Own funding	1 230	3 827	13 788	10 599	260.28	-83.33
Total	27 027	27 680	40 649	36 091	46.85	-16.47
Percentage of finance						
External loans	0	0	0	0	0	0
Public contributions and donations	0	0	0	0	0	0
Grants and subsidies	95	88	99	94	12.61	-5.74
Own funding	5	14	34	29	145.33	-32.92
Capital expenditure						
Water and sanitation	9 870	13 900	14 333	12 625	3.12	-12.29
Electricity	1 793	2 072	2 108	1 507	1.74	-29.01
Housing	0	0	0	0	0	0
Roads and stormwater	9 226	9 706	8 576	7 557	-11.64	-10.50
Other	6 138	2 002	15 631	14 402	680.77	-61.39
Total	27 027	27 680	40 649	36 091	46.85	-16.47
Percentage of expenditure						
Water and sanitation	37	50	35	35	-29.78	-0.56
Electricity	7	7	5	4	-30.72	-13.50
Housing	0	0	0	0	0.00	0.00
Roads and stormwater	34	35	21	21	-39.83	-0.46
Other	23	7	38	40	431.67	20.06

Tabel 201: Capital Expenditure by funding source



The municipality is highly grant depended and external loans were utilized to ensure that capital expenditure could continue. A practice that is not sustainable for the future.

## 5.7 Capital Spending on 5 Largest Projects

Projects with the highest capital expenditure in 2014/15

Name of Project	Current Year: 2014/15			Variance Current Year: 2014/15	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
Upgrading Klawer Waste Water Treatment Works	10 139	10 139	10 139	0	0
Upgrade and Reseal of Bult road	8 151	7 536	7 536	0	0
Vredendal North: Roll-over of Sports field	0	4 790	4 749	0	0
Vredendal North: Connections to 280 households	1 500	1 500	1 085	0	0
Data Logger Bitterfontein Desalination plant	1 058	0	1 065	0	0
Projects with the highest capital expenditure in 2014/15					

Tabel 202: Capital Expenditure on the 5 Largest Projects

Name of Project - A	Upgrading Klawer Waste Water Treatment Works
Objective of Project	To create capacity at the WWTW
Delays	None
Future Challenges	None
Anticipated citizen benefits	Housing developments approved

Tabel 203: Summary of Upgrading Klawer Waste Water Treatment Works

Name of Project - B	Upgrade and Reseal of Bult road
Objective of Project	To upgrade the existing road
Delays	None
Future Challenges	None
Anticipated citizen benefits	To have a roads that is in an excellent condition

Tabel 204: Summary of Upgrade and Reseal of Bult road

Name of Project - C	Vredendal North: Roll-over of Sports field
Objective of Project	To have a Pavilion at the Sports field
Delays	None
Future Challenges	None
Anticipated citizen benefits	To have under roof seating for spectators

Tabel 205: Summary of Vredendal North: Roll-over of Sports field

<b>Name of Project - D</b>	Vredendal North: Connections to 280 households
<b>Objective of Project</b>	To electrify newly build houses
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	Electrified houses

Tabel 206: *Summary of Vredendal North: Connections to 280 households*

<b>Name of Project - E</b>	Data Logger Bitterfontein Desalination Plant
<b>Objective of Project</b>	To measure the borehole levels
<b>Delays</b>	None
<b>Future Challenges</b>	None
<b>Anticipated citizen benefits</b>	To have boreholes that are monitored

Tabel 207: *Summary of Data Logger Bitterfontein Desalination Plant*

## 5.8 Basic Service and Infrastructure Backlogs – Overview

### 5.8.1 Municipal Infrastructure Grant (MIG)

This grant is intended to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.

Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
Infrastructure - Water					
Reticulation	550 000	760 740	760 740	27.70	0
Infrastructure – Sanitation					
Reticulation	10 688 711	11 092 775	11 092 775	3.64	0
Infrastructure - Roads					
Vredendal-North:Upgrade & Reseal of Bult Road	8 151 000	7 536 195	7 536 195	-8.16	0
Ebenhaezer:Upgrade Roads & Stormwater	699 289	699 289	699 289	0	0
Other Specify: Recreational facilities					
Outdoor Sport facilities (roll-over 2013/14)	0	2 000 000	2 000 000	100.00	0
Total	20 089 000	22 088 999	22 088 999	9.05	0

Tabel 208: *Municipal Infrastructure Grant (MIG)*

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow budgeting remains one of the biggest challenges faced by the municipality and it must form the starting point of any budget process.

### 5.9 Cash Flow

Cash Flow Outcomes				
R'000				
Description	2013/14	2014/15		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Cash flow from operating activities				
Receipts				
Ratepayers and other	140 599	154 260	158 329	160 142
Government - operating	49 840	56 785	50 327	44 760
Government - capital	27 593	23 853	26 861	26 251
Interest	2 306	190	500	3 336
Dividends	0	0	0	0
Payments				
Suppliers and employees	(184 835)	(196 996)	(201 502)	(189 298)
Finance charges	(4 173)	(7 382)	(3 787)	(3 822)
Transfers and Grants	(880)	(937)	(937)	(928)
<b>Net cash from/(used) operating activities</b>	<b>30 449</b>	<b>29 774</b>	<b>29 791</b>	<b>40 441</b>
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	2 301	7 500	7 500	0
Decrease (Increase) in non-current debtors	798	0	0	551
Decrease (increase) other non-current receivables	0	637	0	0
Decrease (increase) in non-current investments	0	0	0	0
Payments				
Capital assets	(26 968)	(27 680)	(32 358)	(27 800)
<b>Net cash from/(used) investing activities</b>	<b>(23 869)</b>	<b>(19 543)</b>	<b>(24 858)</b>	<b>(27 249)</b>
Cash flows from financing activities				
Receipts				
Short term loans	0	0	0	0
Increase (decrease) in consumer deposits	265	185	185	869

Cash Flow Outcomes				
R'000				
Description	2013/14	2014/15		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Payments				
Repayment of borrowing	(6 465)	(8 389)	(6 013)	(6 028)
Net cash from/(used) financing activities	(6 200)	(8 204)	(5 828)	(5 158)
Net increase/ (decrease) in cash held	380	2 026	(895)	8 034
Cash/cash equivalents at the year begin:	2 319	2 954	2 699	2 699
Cash/cash equivalents at the yearend:	2 699	4 980	1 804	10 733

Tabel 209: Cashflow

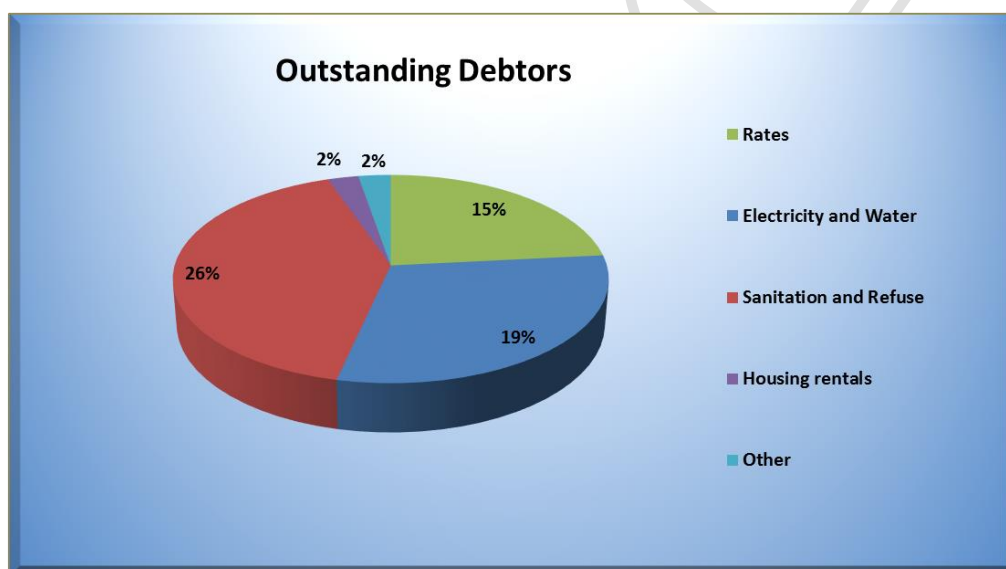
## 5.10 Gross Outstanding Debtors per Service

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'ooo					
2013/14	5 749	13 113	14 674	366	13 752	47 655
2014/15	6 606	15 630	18 527	372	13 990	55 125
Difference	856	2 516	3 854	6	237	7 470
% growth year on year	15	19	26	2	2	16
Note: Figures exclude provision for bad debt						

Note: Figures exclude provision for bad debt

Tabel 210: Gross outstanding debtors per service

The following graph indicates the total outstanding debt per type of service for 2014/15



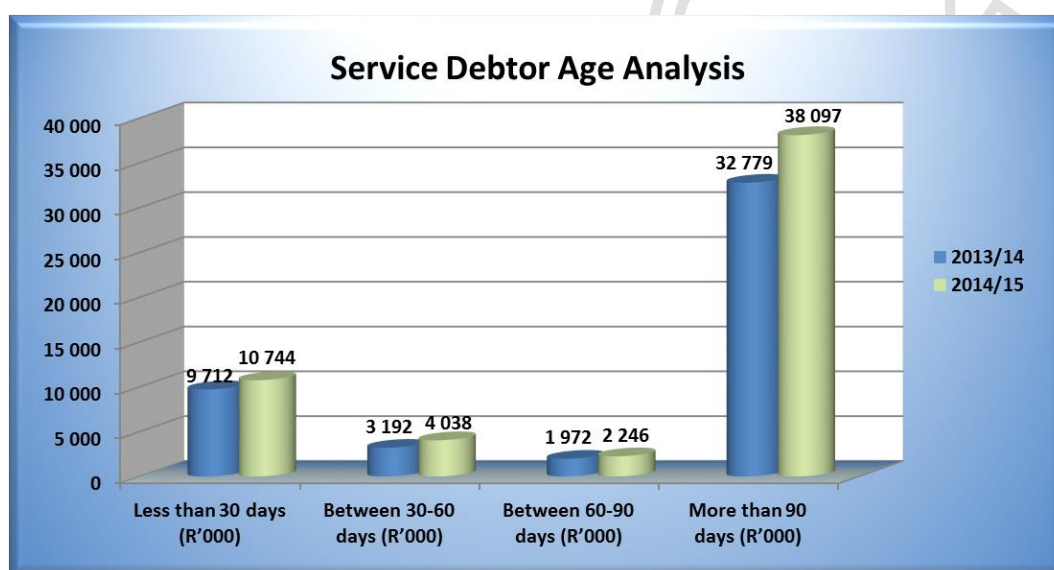
Graph 21.: Debt per type of service

## 5.11 Total Debtors Age Analysis

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2013/14	9 712	3 192	1 972	32 779	47 655
2014/15	10 744	4 038	2 246	38 097	55 125
Difference	1 032	846	273	5 318	7 470
% growth year on year	11	27	14	16	16

Note: Figures exclude provision for bad debt.

Tabel 211: Service debtor age analysis



Graph 22.: Service debtors age analysis for the 2013/14 and 2014/15 financial years

The cash flow status of the municipality is managed on a basis to ensure that proper planning takes place.

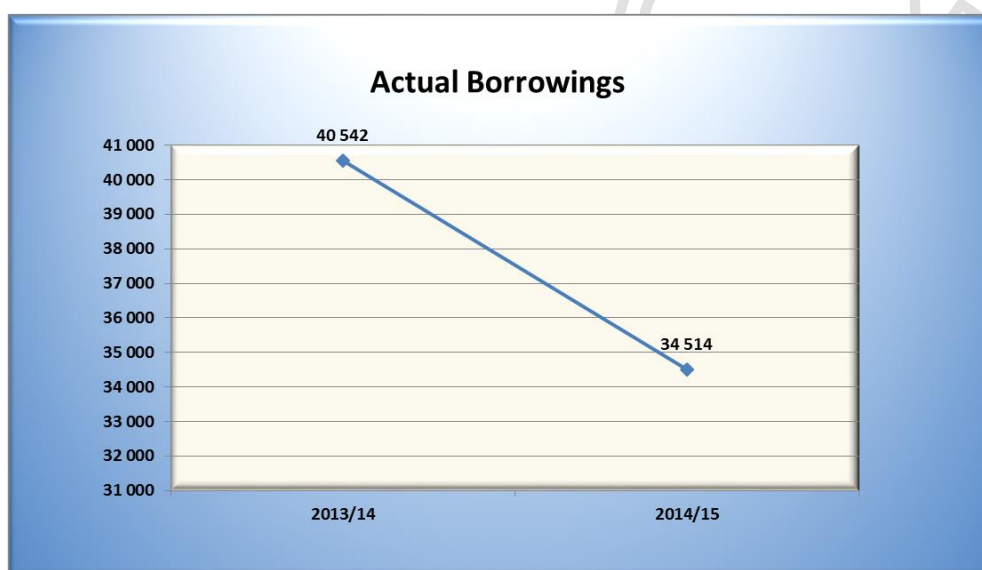
## 5.12 Borrowing and Investments

The actual borrowings of the year decreased with R6 028 million during the year.

### 5.12.1 Actual Borrowings

Actual Borrowings 2011/12 to 2012/13		
R'000		
Instrument	2013/14	2014/15
Long-Term Loans (annuity/reducing balance)	40 542	34 514
<b>Total</b>	<b>40 542</b>	<b>34 514</b>

Tabel 212: Actual Borrowings



Graph 23.: Actual Borrowings

#### 5.12.2 Grants made by the Municipality

All Organisation or Person in receipt of Grants provided by the municipality	Nature of project	Conditions attached to funding	Value 2014/15
			R
Life guards	Strandfontein Lifesavers	Strandfontein Lifesavers	129 940
Poverty Alleviation	Indigent Support	Indigent burials etc	10 903
Tourism	Contribution to Tourism Council	Tourism activities	786 520
Sport Development	Sport Development	Sport Development	867

Tabel 213: Grants made by the Municipality

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.13 Supply Chain Management

Great progress has been made by your municipality in developing and implementing policies and practices in compliance with the guidelines set down by the SCM Regulations 2005. No Councillors are members of any committee handling Supply Chain processes. 2 of Supply Chain officials are working towards obtaining the prescribed levels required for their positions (see MFMA Competency Regulation Guidelines).



#### **5.14 GRAP Compliance**

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GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The municipality has implemented GRAP and no instances exist where the municipality has deviated from the GRAP standards currently applicable.

## CHAPTER 6

### 6.1 INTRODUCTION

Our Constitution, Section 188 (1) (b) states that the functions of the Auditor-General include the auditing and reporting on the accounts, financial statements and financial management of all municipalities. The responsibility of the Auditor-General is to perform an audit to obtain reasonable assurance whether the annual financial statements reflect in all material aspects financial position and the state of financial affairs in the required formats and to express an opinion based on the audit conducted in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing.

The Municipal System Act section 45 states that the results of performance measurement must be audited annually by the Auditor-General. The reported performance against predetermined objectives is evaluated against the overall criteria of usefulness and reliability. The usefulness of information relates to whether the reported performance is consistent with the planned development priorities or objectives and if indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

## COMPONENT A: AUDITOR-GENERAL OPINION 2013/14

### 6.2 Auditor General Report 2013/14

#### 6.2.1 Financial performance for 2013/14

Auditor-General Report on Financial Performance 2013/14	
<b>Audit Report Status:</b>	<b>Unqualified with no material omissions, errors or misstatements.</b>
<b>Reported matters</b>	<b>Remedial Action Taken/to be taken</b>
<b>Audit Committee</b>	
The audit committee, who also performs the role of performance audit committee, did not function throughout the year and could therefore not perform its functions as required by legislation	A fully capacitated audit committee has been appointed from the start of the new financial year and has also performed a high-level review of the AFS prior to submission.  Management is of the view that the matter is now addressed, but believe that the addition of a CA to the audit committee will add immense value to providing reasonable assurance and technical advice

Tabel 214: Financial performance for 2013/14

#### 6.2.2 Service Delivery Performance 2013/14

The Auditor-General in its audit report did not find any material findings on the annual performance report concerning the usefulness and reliability of the information. The Auditor-General, furthermore, did not include any matters in the audit report that have an impact on the audit findings on predetermined objectives reported.

## COMPONENT B: AUDITOR-GENERAL OPINION 2014/15

### 6.3 Auditor General Report 2014/15

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#### 6.3.1 Financial performance for 2014/15

Auditor-General Report on Financial Performance 2014/15	
<b>Audit Report Status:</b>	Financially unqualified with no other matters ( Clean Audit Opinion)

Tabel 215: Financial performance for 2014/15

#### 6.3.2 Service Delivery Performance 2014/15

The Auditor-General in its audit report did not find any material findings on the annual performance report concerning the usefulness and reliability of the information. The Auditor-General, furthermore, did not include any matters in the audit report that have an impact on the audit findings on predetermined objectives reported that affected the audit opinion.

## ABBREVIATIONS

### LIST OF ABBREVIATIONS

<b>AG</b>	Auditor-General
<b>AFS</b>	Annual Financial Statements
<b>CAPEX</b>	Capital Expenditure
<b>CBP</b>	Community Based Planning
<b>CFO</b>	Chief Financial Officer
<b>CMTF</b>	Council Meets The People
<b>COGHSTA</b>	Department of Cooperative Governance, Human settlements and Traditional Affairs
<b>DPLG</b>	Department of Provincial and Local Government
<b>DWA</b>	Department of Water Affairs
<b>EE</b>	Employment Equity
<b>EPWP</b>	Extended Public Works Programme
<b>EXCO</b>	Executive Committee
<b>FBS</b>	Free Basic Services
<b>GAMAP</b>	Generally Accepted Municipal Accounting Practice
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>HR</b>	Human Resources
<b>IDP</b>	Integrated Development Plan
<b>IFRS</b>	International Financial Reporting Standards
<b>IMFO</b>	Institute for Municipal Finance Officers
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>LED</b>	Local Economic Development
<b>MAYCOM</b>	Executive Mayoral Committee
<b>MFMA</b>	Municipal Finance Management Act (Act No. 56 of 2003)
<b>MIG</b>	Municipal Infrastructure Grant
<b>MM</b>	Municipal Manager
<b>MMC</b>	Member of Mayoral Committee
<b>MSA</b>	Municipal Systems Act No. 32 of 2000
<b>MTECH</b>	Medium Term Expenditure Committee

<b>NCOP</b>	National Council of Provinces
<b>NERSA</b>	National Energy Regulator South Africa
<b>NGO</b>	Non-governmental organisation
<b>NT</b>	National Treasury
<b>OPEX</b>	Operating expenditure
<b>PMS</b>	Performance Management System
<b>PT</b>	Provincial Treasury
<b>SALGA</b>	South African Local Government Association
<b>SAMDI</b>	South African Management Development Institute
<b>SCM</b>	Supply Chain Management
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework

# Annexure A

## Financial Statements

# **Matzikama**

**MUNICIPALITY**



**UNAUDITED ANNUAL FINANCIAL STATEMENTS**

**30 JUNE 2015**



# MATZIKAMA MUNICIPALITY

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# MATZIKAMA MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### GENERAL INFORMATION

#### NATURE OF BUSINESS

Matzikama Municipality is a local municipality performing the functions as set out in the Constitution of the Republic of South Africa.

#### COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998) and are classified as a medium capacity municipality.

#### JURISDICTION

The Matzikama Municipality includes the following areas:

*Vredendal  
Vanrhynsdorp  
Klawer  
Koekenaap  
Lutzville  
Ebenhaezer  
Strandfontein  
Doringbaai  
Bitterfontein  
Nuwerus  
Stofkraal  
Molsvlei  
Rietpoort  
Kliprand*

#### MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	<i>PG BOK</i>
Deputy Executive Mayor	<i>DS GOEDEMAN ( Up to 1 May 2015 )</i>
Executive Councillor	<i>F BAM</i>
Executive Councillor	<i>J BOTHA</i>
Executive Councillor	<i>MC WITBOOI</i>
Speaker	<i>WH NELL</i>
Councillor	<i>C VAN DER WESTRUIS</i>
Councillor	<i>R STEPHAN</i>
Councillor	<i>Y CLOETE</i>
Councillor	<i>A SINDYAMBA</i>
Councillor	<i>AGM JULIES</i>
Councillor	<i>B JULIES</i>
Councillor	<i>EL MQINGQI</i>
Councillor	<i>W FORTUIN</i>
Councillor	<i>MJ SMITH</i>

#### ACTING MUNICIPAL MANAGER

*R F SAUL*

#### CHIEF FINANCIAL OFFICER

*M A C BOLTON*

#### REGISTERED OFFICE

*37 Church Street, Vredendal, 8160*

#### AUDITORS

*Auditor-General, Private Bag X1, Chempet, 7442*

#### PRINCIPLE BANKERS

*ABSA Bank*

#### ATTORNEYS

*Swanepoel and Swanepoel Prokureurs  
Le Roux en Van der Westhuizen Prokureurs  
Bradley Conradie Prokureurs  
WeberWentzel Prokureurs*

#### RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)  
Division of Revenue Act  
The Income Tax Act  
Value Added Tax Act  
Municipal Structures Act (Act no 117 of 1998)  
Municipal Systems Act (Act no 32 of 2000)  
Municipal Planning and Performance Management Regulations  
Water Services Act (Act no 108 of 1997)  
Housing Act (Act no 107 of 1997)  
Municipal Property Rates Act (Act no 6 of 2004)  
Electricity Act (Act no 41 of 1987)  
Skills Development Levies Act (Act no 9 of 1999)  
Employment Equity Act (Act no 55 of 1998)  
Unemployment Insurance Act (Act no 30 of 1966)  
Basic Conditions of Employment Act (Act no 75 of 1997)  
Supply Chain Management Regulations, 2005  
Collective Agreements  
Infrastructure Grants  
SALGBC

# MATZIKAMA MUNICIPALITY

## MEMBERS OF THE MATZIKAMA MUNICIPALITY

### COUNCILLORS

1	F BAM
2	DS GOEDEMAN ( up to 1 May 2015)
3	EL MQINGQI
4	PG BOK
5	R STEPHAN
6	B JULIES
7	A SINDYAMBA
8	C VAN DER WESTRUIS
Proportional	WH NELL
Proportional	MC WITBOOI
Proportional	Y CLOETE
Proportional	AGM JULIES
Proportional	J BOTHA
Proportional	MJ SMITH
Proportional	W FORTUIN

### APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2015, which are set out on pages 1 to 73 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2016 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and approved by council in concurrence with the MEC for Local Government in the province.

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*R F SAUL*  
**Acting Municipal Manager**

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**Date**

**MATZIKAMA MUNICIPALITY**

**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015**

	Notes	2015 R	Restated 2014 R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net Assets</b>		<b>426 969 353</b>	<b>381 856 939</b>
Accumulated Surplus/(Deficit)		422 359 353	381 856 939
Capital Replacement Reserve	2	4 610 000	-
<b>Non-Current Liabilities</b>		<b>102 367 909</b>	<b>94 916 064</b>
Long-term Liabilities	3	30 074 936	34 528 602
Employee benefits	4	28 322 936	24 235 686
Non-Current Provisions	5	43 970 037	36 151 776
<b>Current Liabilities</b>		<b>41 674 562</b>	<b>44 903 568</b>
Consumer Deposits	6	3 955 367	3 085 973
Current Employee benefits	7	7 964 543	7 400 788
Payables from exchange transactions	8	23 856 489	20 814 586
Unspent Conditional Government Grants and Receipts	9	1 458 883	6 338 933
Taxes	10	-	500 048
Current Portion of Long-term Liabilities	3	4 439 281	6 013 185
Cash and Cash Equivalents	19	-	750 056
<b>Total Net Assets and Liabilities</b>		<b>571 011 824</b>	<b>521 676 573</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>542 431 723</b>	<b>503 365 974</b>
Property, Plant and Equipment	11	475 933 228	440 403 445
Investment Property	12	65 969 831	62 378 401
Intangible Assets	13	373 995	424 160
Long-Term Receivables	14	154 669	159 969
<b>Current Assets</b>		<b>28 580 101</b>	<b>18 310 598</b>
Inventory	15	424 565	411 211
Receivables from exchange transactions	16	11 705 436	10 057 541
Receivables from non-exchange transactions	17	5 105 169	4 002 761
Taxes	10	202 204	-
Operating Lease Asset	18	27 147	34 401
Current Portion of Long-term Receivables	14	382 632	355 785
Cash and Cash Equivalents	19	10 732 948	3 448 899
<b>Total Assets</b>		<b>571 011 824</b>	<b>521 676 573</b>

**MATZIKAMA MUNICIPALITY**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 R	Restated 2014 R	Correction of error R	Previously reported 2014 R
<b>REVENUE</b>					
<b>Revenue from Non-exchange Transactions</b>		<b>127 309 707</b>	<b>106 503 793</b>	<b>(168 771)</b>	<b>106 672 564</b>
<b>Taxation Revenue</b>		<b>32 573 584</b>	<b>28 858 184</b>	<b>(493 151)</b>	<b>29 351 335</b>
Property taxes	20	32 573 584	28 858 184	(493 151)	29 351 335
<b>Transfer Revenue</b>		<b>75 891 800</b>	<b>72 592 936</b>	<b>-</b>	<b>72 592 936</b>
Government Grants and Subsidies - Capital	21	26 251 432	27 593 336	-	27 593 336
Government Grants and Subsidies - Operating	21	49 640 368	44 999 600	-	44 999 600
<b>Other Revenue</b>		<b>18 844 324</b>	<b>5 052 672</b>	<b>324 380</b>	<b>4 728 292</b>
Actuarial Gains	4	67 468	-	-	-
Contribution Property Plant and Equipment	24	11 560 003	-	-	-
Fair Value adjustments	25	3 591 431	3 318 824	324 380	2 994 444
Fines	27	3 565 641	1 710 830	-	1 710 830
Reversal of Impairment Loss	32	59 781	23 019	-	23 019
<b>Revenue from Exchange Transactions</b>		<b>143 291 391</b>	<b>121 087 854</b>	<b>312 631</b>	<b>120 775 223</b>
Service Charges	22	128 030 790	109 406 691	493 151	108 913 540
Rental of Facilities and Equipment	26	3 341 566	2 626 345	-	2 626 345
Interest Earned - external investments		939 430	231 240	-	231 240
Interest Earned - outstanding debtors		2 396 192	2 074 946	-	2 074 946
Licenses and Permits		1 124 577	1 066 966	-	1 066 966
Agency Services		2 416 863	2 073 785	-	2 073 785
Other Income	23	5 041 973	2 828 705	-	2 828 705
Gain on disposal of Property, Plant and Equipment		-	779 177	(180 520)	959 697
<b>Total Revenue</b>		<b>270 601 098</b>	<b>227 591 647</b>	<b>143 860</b>	<b>227 447 787</b>
<b>EXPENDITURE</b>					
Employee related costs	28	81 364 241	74 334 478	23 916	74 310 562
Remuneration of Councillors	29	5 642 312	5 301 393	-	5 301 393
Debt Impairment	30	10 016 708	7 380 451	2 231 087	5 149 364
Collection Costs		134 146	121 567	-	121 567
Depreciation and Amortisation	31	11 567 081	9 094 157	(2 426 434)	11 520 591
Finance Charges	33	7 897 532	7 663 069	-	7 663 069
Repairs and Maintenance	34	8 227 616	8 026 133	(3 746 202)	11 772 335
Actuarial losses	4	1 881 691	970 426	-	970 426
Bulk Purchases	35	73 818 846	66 828 936	-	66 828 936
Contracted services	36	4 565	70 440	(2 240 085)	2 310 525
Grants and Subsidies	37	928 229	880 051	-	880 051
General Expenses	38	23 789 488	20 794 536	5 986 287	14 808 249
Loss on disposal of Property, Plant and Equipment		216 229	606 033	(1 883)	607 916
<b>Total Expenditure</b>		<b>225 488 684</b>	<b>202 071 671</b>	<b>(173 313)</b>	<b>202 244 984</b>
<b>NET SURPLUS FOR THE YEAR</b>		<b>45 112 414</b>	<b>25 519 975</b>	<b>317 173</b>	<b>25 202 803</b>

**MATZIKAMA MUNICIPALITY**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2015**

	<b>Capital Replacement Reserve R</b>	<b>Revaluation Reserve R</b>	<b>Accumulated Surplus R</b>	<b>Total R</b>
<b>Balance at 1 July 2013</b>	-	-	<b>338 631 847</b>	<b>338 631 847</b>
Correction of error note	-	-	16 695 718	16 695 718
<b>Restated Balance at 30 JUNE 2013</b>	-	-	<b>355 327 565</b>	<b>355 327 565</b>
Net Surplus for the year	-	-	25 519 974	25 519 974
Transfer to / (from) CRR	1 171 425	-	(1 171 425)	-
Revaluation reserve of Property, Plant and Equipment	-	1 009 400	-	1 009 400
Transfer to Accumulated Surplus	-	(1 009 400)	1 009 400	-
Property, Plant and Equipment purchased	(1 171 425)	-	1 171 425	-
<b>Restated Balance at 30 JUNE 2014</b>	-	-	<b>381 856 939</b>	<b>381 856 939</b>
Net Surplus for the year	-	-	45 112 414	45 112 414
Transfer to / (from) CRR	4 610 000	-	(4 610 000)	-
<b>Balance at 30 JUNE 2015</b>	<b>4 610 000</b>	-	<b>422 359 353</b>	<b>426 969 353</b>

**MATZIKAMA MUNICIPALITY**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 R	Restated 2014 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Ratepayers and other		160 142 008	140 598 849
Government Grants		71 011 751	77 432 976
Interest		3 335 622	2 306 186
<b>Payments</b>			
Suppliers and employees		(189 297 640)	(184 835 213)
Transfers and Grants		(928 229)	(880 051)
Finance charges		(3 822 015)	(4 173 296)
<b>Net Cash from Operating Activities</b>	<b>40</b>	<b>40 441 496</b>	<b>30 449 451</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(27 799 798)	(26 968 365)
Proceeds on Disposal of Fixed Assets		-	2 301 102
Decrease in Long-term Receivables		550 583	798 320
<b>Net Cash from Investing Activities</b>		<b>(27 249 215)</b>	<b>(23 868 944)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of Long-term Liabilities		(6 027 570)	(6 465 007)
Increase in Consumer Deposits		869 394	264 587
<b>Net Cash from Financing Activities</b>		<b>(5 158 176)</b>	<b>(6 200 420)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>8 034 105</b>	<b>380 087</b>
Cash and Cash Equivalents at the beginning of the year		2 698 843	2 318 756
Cash and Cash Equivalents at the end of the year	<b>41</b>	<b>10 732 948</b>	<b>2 698 843</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>8 034 105</b>	<b>380 087</b>



**MATZIKAMA MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015**

**COMPARISON OF ACTUAL FIGURES TO THE FINAL BUDGET**  
**(BUDGET ON ACCRUAL BASIS)**

	2015 R (Actual)	2015 R (Final Budget)	2015 R (Variance)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	10 732 948	1 803 656	8 929 291
Call investment deposits			-
Consumer debtors	16 810 605	25 552 034	(8 741 429)
Other Receivables	229 351	34 401	194 949
Current portion of long-term receivables	382 632	355 785	26 848
Inventory	424 565	502 482	(77 917)
<b>Total current assets</b>	28 580 101	28 248 358	331 742
<b>Non current assets</b>			
Long-term receivables	154 669	159 969	(5 300)
Investments	-		-
Investment property	65 969 831	60 275 150	5 694 681
Property, plant and equipment	475 933 228	439 798 981	36 134 247
Biological Assets	-		-
Intangible Assets	373 995	424 160	(50 164)
Heritage Assets	-		-
<b>Total non current assets</b>	542 431 723	500 658 260	41 773 463
<b>TOTAL ASSETS</b>	571 011 824	528 906 618	42 105 206
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Bank overdraft	-	-	-
Borrowing	4 439 281	6 013 185	(1 573 904)
Consumer deposits	3 955 367	3 271 131	684 236
Trade and other payables	25 315 372	18 358 979	6 956 392
Provisions and Employee Benefits	7 964 543	7 844 835	119 708
<b>Total current liabilities</b>	41 674 562	35 488 131	6 186 432
<b>Non current liabilities</b>			
Borrowing	30 074 936	28 515 418	1 559 519
Non-Current Provisions and Employee Benefits	72 292 972	74 190 390	(1 897 418)
<b>Total non current liabilities</b>	102 367 909	102 705 808	(337 899)
<b>TOTAL LIABILITIES</b>	144 042 471	138 193 939	5 848 532
<b>NET ASSETS</b>	426 969 353	390 712 680	36 256 673
<b>COMMUNITY WEALTH</b>			
Accumulated Surplus/(Deficit)	422 359 353	389 703 280	32 656 073
Reserves	4 610 000	1 009 400	3 600 600
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	426 969 353	390 712 680	36 256 673

**EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 55**

**MATZIKAMA MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015**

**ADJUSTMENTS TO APPROVED BUDGET**  
**(BUDGET ON ACCRUAL BASIS)**

	2015 R (Approved Budget)	2015 R (Adjustments)	2015 R (Final Budget)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	4 980 467	(3 176 811)	1 803 656
Call investment deposits	-	-	-
Consumer debtors	26 428 156	(876 122)	25 552 034
Other Receivables	1 874 556	(1 840 154)	34 401
Current portion of long-term receivables	-	355 785	355 785
Inventory	1 800 000	(1 297 518)	502 482
<b>Total current assets</b>	35 083 179	(6 834 820)	28 248 358
<b>Non current assets</b>			
Long-term receivables	-	159 969	159 969
Investments	-	-	-
Investment property	55 085 250	5 189 900	60 275 150
Property, plant and equipment	439 797 547	1 435	439 798 981
Biological Assets	-	-	-
Intangible Assets	1 002 177	(578 017)	424 160
Heritage Assets	-	-	-
<b>Total non current assets</b>	495 884 973	4 773 287	500 658 260
<b>TOTAL ASSETS</b>	530 968 152	(2 061 534)	528 906 618
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Bank overdraft	-	-	-
Borrowing	4 457 524	1 555 660	6 013 185
Consumer deposits	3 176 091	95 041	3 271 131
Trade and other payables	29 971 769	(11 612 790)	18 358 979
Provisions and Employee Benefits	7 654 616	190 219	7 844 835
<b>Total current liabilities</b>	45 260 000	(9 771 870)	35 488 131
<b>Non current liabilities</b>			
Borrowing	28 159 845	355 572	28 515 418
Non-Current Provisions and Employee Benefits	65 684 964	8 505 427	74 190 390
<b>Total non current liabilities</b>	93 844 809	8 860 999	102 705 808
<b>TOTAL LIABILITIES</b>	139 104 809	(910 871)	138 193 939
<b>NET ASSETS</b>	391 863 343	(1 150 663)	390 712 680
<b>COMMUNITY WEALTH</b>			
Accumulated Surplus/(Deficit)	388 996 343	706 937	389 703 280
Reserves	2 867 000	(1 857 600)	1 009 400
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	391 863 343	(1 150 663)	390 712 680

**EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 55**

**MATZIKAMA MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015**

**COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET**  
**(BUDGET ON ACCRUAL BASIS)**

	2015 R (Actual)	2015 R (Adjustment Budget)	2015 R (Variance)
<b>REVENUE BY SOURCE</b>			
Property rates	(32 573 584)	(34 071 184)	1 497 600
Property rates - penalties & collection charges		-	-
Service charges	(128 030 790)	(126 022 731)	(2 008 059)
Rental of facilities and equipment	(3 341 566)	(4 109 644)	768 078
Interest earned - external investments	(939 430)	(500 000)	(439 430)
Interest earned - outstanding debtors	(2 396 192)	(1 973 863)	(422 329)
Dividends received		-	-
Fines	(3 565 641)	(2 144 500)	(1 421 141)
Licences and permits	(1 124 577)	(1 681 570)	556 993
Agency services	(2 416 863)	(2 200 000)	(216 863)
Government Grants and Subsidies - Operating	(49 640 368)	(50 326 847)	686 479
Other income	(20 320 656)	(2 790 021)	(17 530 635)
Gain on disposal of Property, Plant and Equipment	-	(7 500 000)	7 500 000
<b>Total Operating Revenue</b>	<b>(244 349 666)</b>	<b>(233 320 360)</b>	<b>(11 029 306)</b>
<b>EXPENDITURE BY TYPE</b>			
Employee Related Costs	81 364 241	83 129 888	(1 765 647)
Remuneration of councillors	5 642 312	5 756 447	(114 135)
Debt impairment	10 016 708	12 660 000	(2 643 292)
Depreciation and Amortisation	11 567 081	11 771 682	(204 601)
Finance charges	7 897 532	7 936 800	(39 268)
Bulk purchases	73 818 846	72 664 818	1 154 028
Contracted services	4 565	110 000	(105 435)
Grants and Subsidies	928 229	936 520	(8 291)
General Expenses	34 032 941	39 346 738	(5 313 797)
Loss on disposal of Property, Plant and Equipment	216 229	-	216 229
<b>Total Operating Expenditure</b>	<b>225 488 684</b>	<b>234 312 893</b>	<b>(8 824 209)</b>
<b>Operating (Surplus)/Deficit for the year</b>	<b>(18 860 982)</b>	<b>992 533</b>	<b>(19 853 515)</b>
Government Grants and Subsidies - Capital	(26 251 432)	(26 861 165)	609 733
<b>Net (Surplus)/Deficit for the year</b>	<b>(45 112 414)</b>	<b>(25 868 632)</b>	<b>(19 243 782)</b>

**EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 55**

**MATZIKAMA MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015**

**ADJUSTMENTS TO APPROVED BUDGET**  
**(BUDGET ON ACCRUAL BASIS)**

	2015 R (Approved Budget)	2015 R (Adjustments)	2015 R (Final Budget)
<b>REVENUE BY SOURCE</b>			
Property rates	(31 210 077)	(2 861 107)	(34 071 184)
Property rates - penalties & collection charges		-	-
Service charges	(118 499 054)	(7 523 677)	(126 022 731)
Rental of facilities and equipment	(4 007 994)	(101 650)	(4 109 644)
Interest earned - external investments	(190 000)	(310 000)	(500 000)
Interest earned - outstanding debtors	(1 973 863)	(0)	(1 973 863)
Dividends received	-	-	-
Fines	(1 527 500)	(617 000)	(2 144 500)
Licenses and permits	(1 680 650)	(920)	(1 681 570)
Agency services	(2 000 000)	(200 000)	(2 200 000)
Government Grants and Subsidies - Operating	(56 870 000)	6 543 153	(50 326 847)
Other revenue	(2 308 865)	(481 156)	(2 790 021)
Gains on disposal of PPE	(7 500 000)	-	(7 500 000)
<b>Total Operating Revenue</b>	<b>(227 768 003)</b>	<b>(5 552 357)</b>	<b>(233 320 360)</b>
<b>EXPENDITURE BY TYPE</b>			
Employee related costs	81 979 770	1 150 118	83 129 888
Remuneration of councillors	5 756 447	0	5 756 447
Debt impairment	6 000 000	6 660 000	12 660 000
Depreciation & asset impairment	13 071 681	(1 299 999)	11 771 682
Finance charges	7 381 800	555 000	7 936 800
Bulk purchases	69 964 818	2 700 000	72 664 818
Contracted services	110 000	-	110 000
Grants and subsidies paid	936 520	-	936 520
Other expenditure	41 556 010	(2 209 272)	39 346 738
Loss on disposal of PPE	-	-	-
<b>Total Operating Expenditure</b>	<b>226 757 046</b>	<b>7 555 848</b>	<b>234 312 893</b>
<b>Operating (Surplus)/Deficit for the year</b>	<b>(1 010 957)</b>	<b>2 003 490</b>	<b>992 533</b>
Government Grants and Subsidies - Capital	(23 853 000)	(3 008 165)	(26 861 165)
<b>Net (Surplus)/Deficit for the year</b>	<b>(24 863 957)</b>	<b>(1 004 675)</b>	<b>(25 868 632)</b>

**EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 55**

**MATZIKAMA MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015**

**COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET**  
**(BUDGET ON ACCRUAL BASIS)**

	2015 R (Actual)	2015 R (Final Budget)	2015 R (Variance)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Ratepayers and other	160 142 008	158 328 758	1 813 250
Government - operating	44 760 319	50 326 847	(5 566 528)
Government - capital	26 251 432	26 861 165	(609 733)
Interest	3 335 622	500 000	2 835 622
Dividends	-	-	-
<b>Payments</b>			
Suppliers and Employees	(189 297 640)	(201 502 282)	12 204 642
Finance charges	(3 822 015)	(3 786 800)	(35 215)
Transfers and Grants	(928 229)	(936 520)	8 291
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	40 441 496	29 791 168	10 650 328
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds on disposal of Assets	-	7 500 000	(7 500 000)
Decrease (Increase) in non-current debtors	550 583	-	550 583
Decrease/(increase) in non-current receivables	-	-	-
Decrease/(increase) in non-current investments	-	-	-
<b>Payments</b>			
Capital assets	(27 799 798)	(32 358 326)	4 558 528
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	(27 249 215)	(24 858 326)	(2 390 889)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Borrowing	-	-	-
Increase/(decrease) in consumer deposits	869 394	185 158	684 236
<b>Payments</b>			
Repayment of borrowing	(6 027 570)	(6 013 185)	(14 385)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	(5 158 176)	(5 828 026)	669 850
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	8 034 105	(895 184)	8 929 289
Cash and Cash Equivalents at the beginning of the year	2 698 843	2 698 842	0
Cash and Cash Equivalents at the end of the year	10 732 948	1 803 658	8 929 289

**EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 55**

**MATZIKAMA MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015**

**ADJUSTMENTS TO APPROVED BUDGET**  
**(BUDGET ON ACCRUAL BASIS)**

	2015 R (Approved Budget)	2015 R (Adjustments)	2015 R (Final Budget)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Ratepayers and other	154 260 299	4 068 459	158 328 758
Government - operating	56 785 000	(6 458 153)	50 326 847
Government - capital	23 853 000	3 008 165	26 861 165
Interest	190 000	310 000	500 000
Dividends			
<b>Payments</b>			
Suppliers and Employees	(196 996 312)	(4 505 971)	(201 502 282)
Finance charges	(7 381 800)	3 595 000	(3 786 800)
Transfers and Grants	(936 520)	-	(936 520)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<u>29 773 668</u>	<u>17 501</u>	<u>29 791 168</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds on disposal of Assets	7 500 000	-	7 500 000
Decrease (Increase) in non-current debtors	-	-	-
Decrease/(increase) in non-current receivables	636 520	(636 520)	-
Decrease/(increase) in non-current investments	-	-	-
<b>Payments</b>			
Capital assets	(27 679 975)	(4 678 351)	(32 358 326)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<u>(19 543 455)</u>	<u>(5 314 871)</u>	<u>(24 858 326)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Borrowing	-	-	-
Increase/(decrease) in consumer deposits	185 421	(263)	185 158
<b>Payments</b>			
Repayment of borrowing	(8 389 424)	2 376 240	(6 013 185)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<u>(8 204 003)</u>	<u>2 375 977</u>	<u>(5 828 026)</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	2 026 210	(2 921 394)	(895 184)
Cash and Cash Equivalents at the beginning of the year	2 954 257	(255 415)	2 698 842
Cash and Cash Equivalents at the end of the year	4 980 467	(3 176 809)	1 803 658

**EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 55**

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

11 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2015

Reconciliation of Carrying Value

	COST								Accumulated Depreciation and Impairment Losses					Carrying Value
	Opening Balance	Additions	Revaluation	Contributing PPE	Under Construction	Transfers from/to inventory	Disposals	Closing Balance	Opening Balance	Depreciation Charge	Disposals	Impairments	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R	R	R
<b>Land and Buildings</b>	<b>48 802 562</b>	<b>222 763</b>	-	<b>3 907 895</b>	-	-	-	<b>52 933 219</b>	<b>2 637 522</b>	<b>371 589</b>	-	-	<b>3 009 111</b>	<b>49 924 108</b>
Land	14 250 082	-	-	-	-	-	-	14 250 082	-	-	-	-	-	14 250 082
Buildings	34 552 480	222 763	-	3 907 895	-	-	-	38 683 137	2 637 522	371 589	-	-	3 009 111	35 674 026
<b>Infrastructure</b>	<b>362 308 381</b>	<b>18 941 674</b>	-	<b>7 652 105</b>	<b>10 753 885</b>	-	<b>(447 401)</b>	<b>399 208 643</b>	<b>73 585 869</b>	<b>8 667 439</b>	-	<b>(59 781)</b>	<b>82 193 527</b>	<b>317 015 116</b>
Storm water and Roads	90 460 718	6 916 618	-	-	-	-	-	97 377 336	16 388 357	2 384 254	-	-	18 772 610	78 604 726
Sewerage	147 884 298	1 313 638	-	4 702 352	10 753 885	-	-	164 654 173	15 338 934	2 499 557	-	-	17 838 491	146 815 681
Electricity	40 612 793	1 204 209	-	-	-	-	-	41 817 002	13 203 011	2 565 856	-	-	15 768 868	26 048 134
Water	69 603 791	1 216 459	-	2 949 752	-	-	-	73 770 002	17 024 875	1 011 054	-	-	18 035 929	55 734 074
Solid Waste Disposal	199 887	-	-	-	-	-	-	199 887	79 955	13 326	-	-	93 281	106 606
Landfill Sites	13 546 894	8 290 750	-	-	-	-	(447 401)	21 390 242	11 550 738	193 391	-	(59 781)	11 684 348	9 705 894
<b>Community Assets</b>	<b>96 532 352</b>	<b>5 297 164</b>	-	-	-	-	-	<b>101 829 516</b>	<b>4 093 721</b>	<b>518 732</b>	-	-	<b>4 612 453</b>	<b>97 217 063</b>
Parks and Gardens	21 696 180	-	-	-	-	-	-	21 696 180	59 759	9 899	-	-	69 658	21 626 522
Libraries	982 531	990 789	-	-	-	-	-	1 973 320	111 361	10 978	-	-	122 339	1 850 981
Recreation Grounds	39 497 696	4 166 177	-	-	-	-	-	43 663 873	1 819 681	213 045	-	-	2 032 726	41 631 147
Taxi Ranks & Parking Areas	5 252 500	-	-	-	-	-	-	5 252 500	75 398	10 810	-	-	86 208	5 166 292
Cemeteries	685 000	-	-	-	-	-	-	685 000	1 470	210	-	-	1 680	683 320
Community Buildings	28 418 445	140 197	-	-	-	-	-	28 558 643	2 026 052	273 790	-	-	2 299 842	26 258 801
<b>Other Assets</b>	<b>24 180 027</b>	<b>875 060</b>	-	-	-	-	<b>(870 885)</b>	<b>24 184 203</b>	<b>11 102 765</b>	<b>1 959 157</b>	<b>(654 656)</b>	-	<b>12 407 266</b>	<b>11 776 937</b>
Office Equipment	3 492 345	227 646	-	-	-	-	(112 470)	3 607 521	1 820 046	255 707	(74 861)	-	2 000 892	1 606 629
Motor vehicles	18 277 085	477 706	-	-	-	-	(632 934)	18 121 857	8 138 990	1 489 835	(499 709)	-	9 129 116	8 992 741
Plant & Equipment	2 130 682	118 507	-	-	-	-	(111 373)	2 137 816	1 066 548	183 681	(76 693)	-	1 173 536	964 280
Computer equipment	279 915	51 201	-	-	-	-	(14 108)	317 009	77 181	29 934	(3 393)	-	103 722	213 287
	<b>531 823 321</b>	<b>25 336 660</b>	-	<b>11 560 000</b>	<b>10 753 885</b>	-	<b>(1 318 286)</b>	<b>578 155 580</b>	<b>91 419 877</b>	<b>11 516 916</b>	<b>(654 656)</b>	<b>(59 781)</b>	<b>102 222 356</b>	<b>475 933 224</b>

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the Municipality.

The effect of the Change in Accounting estimates due to the review of useful lives and residual values is as follows:

Increase / (Decrease) in depreciation on other assets for the year  
Increase / (Decrease) in depreciation on infrastructure assets for the year

	2015 R	2016 R	2017 R
Increase / (Decrease) in depreciation on other assets for the year	11 853	(13 121)	(4 790)
Increase / (Decrease) in depreciation on infrastructure assets for the year	(314 236)	(360 653)	(252 464)
	<b>(302 383)</b>	<b>(373 774)</b>	<b>(257 254)</b>

The change in accounting estimate for Other assets in 2016 and 2017, are based on the assumption that the residual values will stay the same.

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

30 JUNE 2014

**Reconciliation of Carrying Value**

Reconciliation of Carrying Value	COST								Accumulated Depreciation and Impairment Losses					Carrying Value
	Opening Balance	Additions	Revaluation	Contributing PPE	Under Construction	Transfers	Disposals	Closing Balance	Opening Balance	Depreciation Charge	Disposals	Impairments	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R	R	
Land and Buildings	48 360 859	526 890	908 000	-	-	(993 187)	-	48 802 562	2 280 992	356 530	-	-	2 637 522	46 165 040
Land	14 235 269	100 000	908 000	-	-	(993 187)	-	14 250 082	-	-	-	-	-	14 250 082
Balance Previously Reported	12 360 020	100 000	908 000	-	-	(993 187)	-	12 374 833	-	-	-	-	-	12 374 833
Correction of Error 39.01 (b)	1 875 249	-	-	-	-	-	-	1 875 249	-	-	-	-	-	1 875 249
Buildings	34 125 590	426 890	-	-	-	-	-	34 552 480	2 280 992	356 530	-	-	2 637 522	31 914 958
Balance Previously Reported	29 393 289	426 890	-	-	-	-	-	29 820 179	1 997 054	309 207	-	-	2 306 261	27 513 918
Correction of Error 39.01 (b)	4 732 301	-	-	-	-	-	-	4 732 301	283 938	47 323	-	-	331 261	4 401 040
Infrastructure	341 199 116	19 391 682	-	-	1 884 209	-	(166 625)	362 308 381	67 439 918	6 168 970	-	(23 019)	73 585 869	288 722 512
Storm water and Roads	81 211 197	7 365 313	-	-	1 884 209	-	-	90 460 718	14 438 229	1 950 128	-	-	16 388 357	74 072 362
Balance Previously Reported	81 211 197	7 365 313	-	-	1 884 209	-	-	90 460 718	19 099 597	2 341 685	-	-	21 441 282	69 019 436
Correction of Error see note 39.01(a)	-	-	-	-	-	-	-	-	(4 661 369)	(391 557)	-	-	(5 052 925)	5 052 925
Sewerage	138 437 595	9 446 702	-	-	-	-	-	147 884 298	13 494 177	1 844 757	-	-	15 338 934	132 545 363
Balance Previously Reported	138 437 595	9 446 702	-	-	-	-	-	147 884 298	20 930 937	3 325 344	-	-	24 256 281	123 628 016
Correction of Error see note 39.01(a)	-	-	-	-	-	-	-	-	(7 436 761)	(1 480 587)	-	-	(8 917 347)	8 917 347
Electricity	38 711 847	1 900 946	-	-	-	-	-	40 612 793	11 969 027	1 233 984	-	-	13 203 011	27 409 782
Balance previously reported	38 711 847	1 900 946	-	-	-	-	-	40 612 793	9 488 499	1 251 170	-	-	10 739 669	29 873 124
Correction of Error see note 39.01(a)	-	-	-	-	-	-	-	-	2 480 528	(17 186)	-	-	2 463 342	(2 463 342)
Water	68 983 856	619 935	-	-	-	-	-	69 603 791	16 104 081	920 794	-	-	17 024 875	52 578 916
Balance previously reported	68 983 856	619 935	-	-	-	-	-	69 603 791	26 368 584	1 476 983	-	-	27 845 566	41 758 225
Correction of Error see note 39.01(a)	-	-	-	-	-	-	-	-	(10 264 503)	(556 189)	-	-	(10 820 692)	10 820 692
Solid Waste Disposal	199 887	-	-	-	-	-	-	199 887	66 629	13 326	-	-	79 955	119 932
Balance previously reported	199 887	-	-	-	-	-	-	199 887	66 606	12 116	-	-	78 723	121 164
Correction of Error see note 39.01(a)	-	-	-	-	-	-	-	-	23	1 209	-	-	1 232	(1 232)
Landfill Sites	13 654 733	58 786	-	-	-	-	(166 625)	13 546 894	11 367 776	205 981	-	(23 019)	11 550 738	1 996 156
Community Assets	92 509 287	2 537 711	101 400	-	2 583 354	(1 184 400)	(15 000)	96 532 352	3 598 090	495 631	-	-	4 093 721	92 438 631
Parks and Gardens	22 794 180	-	101 400	-	-	(1 184 400)	(15 000)	21 696 180	47 373	12 386	-	-	59 759	21 636 421
Libraries	880 861	101 670	-	-	-	-	-	982 531	101 378	9 983	-	-	111 361	871 170
Recreation Grounds	34 478 300	2 436 041	-	-	2 583 354	-	-	39 497 696	1 631 254	188 428	-	-	1 819 681	37 678 014
Balance previously reported	33 812 600	2 436 041	-	-	2 583 354	-	-	38 831 996	1 625 808	187 521	-	-	1 813 329	37 018 667
Correction of Error see note 39.01( c )	665 700	-	-	-	-	-	-	665 700	5 445	907	-	-	6 352	659 348
Taxi Ranks and Parking Areas	5 252 500	-	-	-	-	-	-	5 252 500	64 590	10 808	-	-	75 398	5 177 102
Cemeteries	685 000	-	-	-	-	-	-	685 000	1 260	210	-	-	1 470	683 530
Balance previously reported	680 500	-	-	-	-	-	-	680 500	1 260	210	-	-	1 470	679 030
Correction of Error see note 39.01( c )	4 500	-	-	-	-	-	-	4 500	-	-	-	-	-	4 500
Community Buildings	28 418 445	-	-	-	-	-	-	28 418 445	1 752 235	273 817	-	-	2 026 052	26 392 394
Balance previously reported	28 162 746	-	-	-	-	-	-	28 162 746	1 737 176	271 307	-	-	2 008 483	26 154 263
Correction of Error see note 39.01( c )	255 699	-	-	-	-	-	-	255 699	15 059	2 510	-	-	17 569	238 130
Other Assets	25 181 066	103 303	-	-	-	-	(1 104 341)	24 180 027	9 780 837	2 022 861	(700 933)	-	11 102 785	13 077 262
Office Equipment	3 918 893	3 509	-	-	-	-	(430 056)	3 492 345	1 750 383	322 071	(252 407)	-	1 820 046	1 672 299
Balance previously reported	3 890 342	3 509	-	-	-	-	(432 939)	3 460 912	1 738 343	320 457	(253 406)	-	1 805 393	1 655 519
Correction of Error see note 39.01( d )	41 071	-	-	-	-	-	-	41 071	17 284	2 550	-	-	19 834	21 237
Correction of Error see note 39.01 ( e )	-	-	-	-	-	-	2 882	2 882	-	0	999	-	999	1 883
Correction of Error see note 39.01 ( f )	(12 520)	-	-	-	-	-	(12 520)	(12 520)	(5 244)	(937)	-	-	(6 181)	(6 340)
Motor vehicles	18 771 755	-	-	-	-	-	(494 670)	18 277 085	6 991 704	1 475 107	(327 821)	-	8 138 990	10 138 095
Balance previously reported	18 835 255	-	-	-	-	-	(494 670)	18 340 585	7 004 418	1 503 717	(327 821)	-	8 180 314	10 160 271
Correction of Error see note 39.01 ( f )	(63 500)	-	-	-	-	-	(63 500)	(63 500)	(12 714)	(28 610)	-	-	(41 324)	(22 176)
Plant & Equipment	2 304 033	-	-	-	-	-	(173 351)	2 130 682	983 290	201 180	(117 922)	-	1 066 548	1 064 134
Balance previously reported	2 390 597	-	-	-	-	-	(173 351)	2 217 245	1 041 016	208 006	(117 922)	-	1 131 100	1 086 146
Correction of Error see note 39.01( d )	6 055	-	-	-	-	-	-	6 055	2 422	363	-	-	2 785	3 270
Correction of Error see note 39.01 ( f )	(92 619)	-	-	-	-	-	-	(92 619)	(60 148)	(7 189)	-	-	(67 337)	(25 282)
Computer equipment	186 384	99 794	-	-	-	-	(6 264)	279 915	55 460	24 504	(2 783)	-	77 181	202 733
Balance previously reported	173 684	99 794	-	-	-	-	(6 264)	267 215	48 324	23 546	(2 783)	-	69 088	198 127
Correction of Error see note 39.01( d )	14 807	-	-	-	-	-	-	14 807	8 365	1 133	-	-	9 498	5 309
Correction of Error see note 39.01 ( f )	(2 107)	-	-	-	-	-	-	(2 107)	(1 229)	(175)	-	-	(1 405)	(702)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	507 250 327	22 559 586	1 009 400		4 467 563	(2 177 587)	(1 285 967)	531 823 321	83 099 837	9 043 992	(700 933)	(23 019)	91 419 877	440 403 444



**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	2015 R	2014 R
<b>2 NET ASSET RESERVES</b>		
Capital Replacement Reserve	4 610 000	-
<b>Total Net Asset Reserves</b>	<b>4 610 000</b>	<b>-</b>

<b>3 LONG-TERM LIABILITIES</b>		
Annuity Loans - At amortised cost	34 514 217	40 541 787
Current Portion transferred to Current Liabilities	(4 439 281)	(6 013 185)
<b>Total Long-term Liabilities - At amortised cost using the effective interest rate method</b>	<b>30 074 936</b>	<b>34 528 602</b>

Refer below for maturity dates of long term liabilities:

The obligations under annuity loans are scheduled below:

	<b>Minimum annuity payments</b>	
Amounts payable under annuity loans:		
Payable within one year	7 736 463	9 788 445
Payable within two to five years	25 243 903	32 901 228
Payable after five years	21 179 708	20 986 499
	54 160 074	63 676 172
<b>Less:</b> Future finance obligations	(19 645 857)	(23 134 385)
<b>Present value of annuity obligations</b>	<b>34 514 217</b>	<b>40 541 787</b>

Annuity loans at amortised cost is calculated at a interest rate of between 5.70% and 11.14%, with first maturity date of 30 June 2015 and last maturity date of 30 June 2027.

<b>4 EMPLOYEE BENEFITS</b>		
Post Retirement Benefits - note 4.1	23 871 670	20 242 992
Long Service Awards - note 4.2	4 451 266	3 992 694
<b>Total Non-current Employee Benefit Liabilities</b>	<b>28 322 936</b>	<b>24 235 686</b>

**Post Retirement Benefits**

Balance 1 July	21 053 220	18 619 976
Contribution for the year	1 002 877	876 703
Interest Cost	1 835 454	1 560 087
Expenditure for the year	(925 348)	(784 930)
Actuarial Loss / (Gain)	1 881 691	781 384
<b>Total post retirement benefits 30 June</b>	<b>24 847 894</b>	<b>21 053 220</b>
<b>Less:</b> Transfer of Current Provision - note 7	(976 224)	(810 228)
<b>Balance 30 June</b>	<b>23 871 670</b>	<b>20 242 992</b>

**Long Service Awards**

Balance 1 July	4 426 598	3 708 407
Contribution for the year	396 840	460 253
Interest Cost	346 304	275 707
Expenditure for the year	(406 797)	(206 811)
Actuarial Loss/(Gain)	(67 468)	189 042
<b>Total long service 30 June</b>	<b>4 695 477</b>	<b>4 426 598</b>
<b>Less:</b> Transfer of Current Provision - note 7	(244 211)	(433 904)
<b>Balance 30 June</b>	<b>4 451 266</b>	<b>3 992 694</b>

**TOTAL NON-CURRENT EMPLOYEE BENEFITS**

Balance 1 July	25 479 818	22 328 383
Contribution for the year	1 399 717	1 336 956
Interest cost	2 181 758	1 835 794
Expenditure for the year	(1 332 145)	(991 741)
Actuarial Loss/(Gain)	1 814 223	970 426
<b>Total employee benefits 30 June</b>	<b>29 543 371</b>	<b>25 479 818</b>
<b>Less:</b> Transfer of Current Provision - note 7	(1 220 435)	(1 244 132)
<b>Balance 30 June</b>	<b>28 322 936</b>	<b>24 235 686</b>

**4.1 Post Retirement Benefits**

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

	2015 Employees	2014 Employees
In-service (employee) members	110	103
In-service (employee) non-members	74	85
Continuation members (e.g. Retirees, widows, orphans)	30	28
<b>Total Members</b>	<b>214</b>	<b>216</b>

The liability in respect of past service has been estimated to be as follows:

	2015 R	2014 R	2013 R	2012 R
In-service members	9 216 529	7 561 057	6 115 102	5 207 499
In-service non-members	2 482 585	2 794 297	2 041 224	2 582 752
Continuation members	13 148 779	10 697 865	10 463 649	10 421 576
<b>Total Liability</b>	<b>24 847 893</b>	<b>21 053 219</b>	<b>18 619 975</b>	<b>18 211 827</b>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	<b>2011</b>
	<b>R</b>
In-service members	4 243 330
Continuation members	9 538 157
<b>Total Liability</b>	<b>13 781 487</b>

History of experience adjustments were calculated as follows:

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Liabilities: (Gain) / loss	1 953 200	361 000	(645 000)	2 398 000	(198 000)
Assets: Gain / (loss)	-	-	-	-	-

The Municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;  
LA Health;  
Samwumed;  
Keyhealth, and  
Hosmed

	<b>2015</b>	<b>2014</b>
	<b>%</b>	<b>%</b>
i) <b>Rate of interest</b>		
Discount rate	8.66%	8.89%
Health Care Cost Inflation Rate	7.87%	8.12%
Net Effective Discount Rate	0.73%	0.71%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

**ii) Mortality rates**

Mortality during employment - SA 85-90  
Mortality post-retirement - PA90-1

**iii) Normal retirement age**

It has been assumed that in-service members will retire at age 65, which then implicitly allows for expected rates of early and ill-health retirement.

**iv) Actuarial Valuation Method**

The Projected Unit Credit Method has been used to value the liabilities.

	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
<b>The amounts recognised in the Statement of Financial Position are as follows:</b>		
Present value of fund obligations	24 847 894	21 053 220
<b>Total Liability</b>	<b>24 847 894</b>	<b>21 053 220</b>

The fund is wholly unfunded.

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25, Employee Benefits.

**Reconciliation of present value of fund obligation:**

Present value of fund obligation at the beginning of the year	21 053 220	18 619 976
Total expenses	1 912 983	1 651 860
Current service cost	1 002 877	876 703
Interest Cost	1 835 454	1 560 087
Benefits Paid	(925 348)	(784 930)
Actuarial (gains)/losses	1 881 691	781 384
Present value of fund obligation at the end of the year	24 847 894	21 053 220
<b>Less:</b> Transfer of Current Portion - note 7	(976 224)	(810 228)
<b>Balance 30 June</b>	<b>23 871 670</b>	<b>20 242 992</b>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**Sensitivity Analysis on the Accrued Liability**

Assumption	In-service members liability R	Continuation members liability R	Total liability R
Central Assumptions	11 699 000	13 149 000	24 848 000

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability R	Continuation members liability R	Total liability R	Change %
Health care inflation	1%	14 563 000	14 431 000	28 994 000	17%
Health care inflation	-1%	9 480 000	12 034 000	21 514 000	-13%
Discount rate	1%	9 511 000	12 050 000	21 561 000	-13%
Discount rate	-1%	14 570 000	14 435 000	29 005 000	17%
Post-retirement mortality	-1 year	12 141 000	13 720 000	25 861 000	4%
Average retirement age	-1 year	12 831 000	13 149 000	25 980 000	5%
Continuation of membership at retirement	-10%	10 191 000	13 149 000	23 340 000	-6%

**Sensitivity Analysis on the Current-Service and Interest Cost**

Assumption	Change	Current Cost R	Service Interest Cost R	Total R	Change %
Central Assumptions		1 234 500	2 110 000	3 344 500	
Health care inflation	1%	1 543 600	2 469 000	4 012 600	20%
Health care inflation	-1%	997 400	1 821 300	2 818 700	-16%
Discount rate	1%	1 010 000	2 036 400	3 046 400	-9%
Discount rate	-1%	1 530 200	2 184 600	3 714 800	11%
Post-Retirement mortality	-1 year	1 280 800	2 197 700	3 478 500	4%
Average retirement age	-1 year	1 393 700	2 208 000	3 601 700	8%
Continuation of Membership at retirement	10%	1 078 300	1 979 500	3 057 800	-9%

**History of liabilities and assets**

	2015	2014	2013	2012	2011
Accrued Liability	24 847 893	21 053 000	18 620 000	18 212 000	13 781 000
Fair value of plan assets	-	-	-	-	-
Surplus	<u>24 847 893</u>	<u>21 053 000</u>	<u>18 620 000</u>	<u>18 212 000</u>	<u>13 781 000</u>

**4.2 Long Service Bonuses**

The Long Service Bonus plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Bonuses.

2015 Employees	2014 Employees
375	376

Key actuarial assumptions used:

**i) Rate of interest**

Discount rate	8.16%	8.22%
General Salary Inflation (long-term)	7.22%	7.26%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.88%	0.89%

**ii) Actuarial Valuation Method**

The Projected Unit Credit Method has been used to value the liabilities.

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

**The amounts recognised in the Statement of Financial Position are as follows:**

	2015 R	2014 R
Present value of fund obligations	4 695 477	4 426 598
<b>Net liability</b>	<u>4 695 477</u>	<u>4 426 598</u>

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2013 R	2012 R	2011 R
<b>Total Liability</b>	<u>3 708 407</u>	<u>3 242 171</u>	<u>2 284 031</u>

History of experience adjustments were calculated as follows:

	2015	2014	2013	2012	2011
Liabilities: (Gain) / loss	(72 616)	262 519	45 289	392 579	(224 240)
Assets: Gain / (loss)	-	-	-	-	-

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	2015 R	2014 R
<b>Reconciliation of present value of fund obligation:</b>		
Present value of fund obligation at the beginning of the year	4 426 598	3 708 407
Total expenses	336 347	529 149
Current service cost	396 840	460 253
Interest Cost	346 304	275 707
Benefits Paid	(406 797)	(206 811)
Actuarial (gains)/losses	(67 468)	189 042
Present value of fund obligation at the end of the year	4 695 477	4 426 598
<b>Less:</b> Transfer of Current Portion - note 7	(244 211)	(433 904)
<b>Balance 30 June</b>	<b>4 451 266</b>	<b>3 992 694</b>

**Sensitivity Analysis on the Unfunded Accrued Liability**

Assumption	Change	Liability R	Change %
Central assumptions		4 695 000	
General salary inflation	+1%	5 108 000	9%
General salary inflation	-1%	4 330 000	-8%
Discount Rate	+1%	4 316 000	-8%
Discount Rate	-1%	5 132 000	9%
Average retirement age	-2yrs	4 223 000	-10%
Average retirement age	+2yrs	5 309 000	13%
Withdrawal rates	-50%	5 661 000	21%

**Sensitivity Analysis on the Current- Service and Interest Cost**

Assumption	Change	Current Cost R	Service Interest Cost R	Total R	Change %
Central assumptions		458 900	373 600	832 500	
General salary inflation	+1%	507 400	407 200	914 600	10%
General salary inflation	-1%	416 500	343 800	760 300	-9%
Discount Rate	+1%	419 000	384 600	803 600	-3%
Discount Rate	-1%	505 200	359 100	864 300	4%
Average retirement age	-2yrs	416 000	335 000	751 000	-10%
Average retirement age	+2yrs	511 700	423 700	935 400	12%
Withdrawal rates	-50%	606 600	452 400	1 059 000	27%

**History of liabilities and assets**

	2015	2014	2013	2012	2011
Accrued liability	4 695 477	4 426 598	3 708 407	3 242 171	2 284 031
Fair value of plan asset	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>4 695 477</b>	<b>4 426 598</b>	<b>3 708 407</b>	<b>3 242 171</b>	<b>2 284 031</b>

**4.3 Retirement funds**

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.

**CAPE JOINT PENSION FUND**

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2014 revealed that the fund is in a sound financial position with a funding level of 101.7% (30 June 2013- 99.2%).

Contributions paid recognised in the Statement of Financial Performance	25 069	22 926
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**CAPE RETIREMENT FUND**

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2014 revealed that the fund is in sound financial position with a funding level of 112.6% (30 June 2013 - 105.1%).

Contributions paid recognised in the Statement of Financial Performance	7 898 095	7 212 090
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**DEFINED CONTRIBUTION FUNDS**

Council contribute to the Municipal Council Pension Fund, SALA Pension Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

SAMWU National Provident Fund	940 702	984 620
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**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

		2015 R	2014 R
<b>5</b>	<b>NON-CURRENT PROVISIONS</b>		
	Provision for Rehabilitation of Landfill-sites	43 970 037	36 151 776
	<b>Total Non-current Provisions</b>	<b>43 970 037</b>	<b>36 151 776</b>

In terms of the licensing of the landfill refuse sites, the Municipality will incur rehabilitation costs to restore the sites at the end of their useful lives, estimated to be in 2016 - 2034.

**Landfill Sites**

Balance 1 July	36 151 776	35 129 617
Finance Charges	1 893 759	1 653 979
Addition	8 290 750	58 786
Change in Provision for Rehabilitation Cost	(2 366 248)	(690 606)
<b>Total provision 30 June</b>	<b>43 970 037</b>	<b>36 151 776</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions	-	-
<b>Balance 30 June 2015</b>	<b>43 970 037</b>	<b>36 151 776</b>

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

	Klawer	Vanhynsdorp	Vredendal	Lutzville	Strandfontein
Rehabilitation Area(m2)	12 190	25 850	50 460	29 170	7 750
P&G	279 696	1 102 882	841 187	526 796	208 915
Site Clearance ( R )	28 403	60 231	117 572	67 968	18 058
Storm Water Drainage ( R )	946 550	1 269 593	2 150 548	1 500 676	777 812
Capping ( R )	755 780	6 201 140	3 128 520	1 808 540	480 500
Gas Management ( R )					
Leachate Management	257 097	336 762	601 840	375 647	205 883
Fencing	10 000	10 000	10 000	10 000	10 000
Other ( R )	305 000	626 000	305 000	305 000	305 000
Contingencies ( R )	227 753	898 061	684 967	428 962	170 117
Engineering ( R )	187 896	740 900	565 098	353 894	140 346
Site Supervision ( R )	257 052	719 808	450 840	375 728	294 804
<b>Total (Excl VAT)</b>	<b>3 255 226</b>	<b>11 965 376</b>	<b>8 855 572</b>	<b>5 753 209</b>	<b>2 611 436</b>
Rehab cost/m2	267	463	176	197	337
Estimated construction period(weeks)	12	16	20	16	12
	Doringbaai	Bitterfontein	Kliprand	Rietpoort	Nuwerus
Rehabilitation Area(m2)	8 150	4 570	1 790	820	3 170
P&G	245 261	256 628	137 515	66 515	126 122
Site Clearance ( R )	18 990	10 648	4 171	1 911	7 386
Storm Water Drainage ( R )	961 904	546 154	437 760	323 126	536 542
Capping ( R )	505 300	1 105 420	416 905	50 840	196 540
Gas Management ( R )		-	-	-	-
Leachate Management	255 674	160 834	113 414	89 230	150 402
Fencing	10 000	10 000	10 000	10 000	10 000
Other ( R )	305 000	305 000	305 000	305 000	290 000
Contingencies ( R )	199 713	208 968	111 976	54 162	102 699
Engineering ( R )	164 763	172 399	92 381	44 684	84 727
Site Supervision ( R )	297 552	585 024	543 200	359 652	222 128
<b>Total (Excl VAT)</b>	<b>2 964 156</b>	<b>3 361 075</b>	<b>2 172 322</b>	<b>1 305 119</b>	<b>1 726 546</b>
Rehab cost/m2	364	735	1 214	1 592	545
Estimated construction period	12	12	8	12	8

		2015 R	2014 R
<b>6</b>	<b>CONSUMER DEPOSITS</b>		
	Water and Electricity	3 955 367	3 085 973
	<b>Total Consumer Deposits</b>	<b>3 955 367</b>	<b>3 085 973</b>

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

		2015 R	2014 R
<b>7</b>	<b>CURRENT EMPLOYEE BENEFITS</b>		
	Current Portion of Post Retirement Benefits - note 4	976 224	810 228
	Current Portion of Long-Service Provisions - note 4	244 211	433 904
	Provision for Staff Leave	4 554 751	4 130 667
	Bonuses Accrued	2 154 840	1 990 934
	Pension	34 517	35 055
	<b>Total Current Employee Benefits</b>	<b>7 964 543</b>	<b>7 400 788</b>

The movement in current employee benefits are reconciled as follows:

**Provision for Staff Leave**

Balance at beginning of year	4 130 667	3 754 020
Contribution to current portion	972 100	896 513
Expenditure incurred	(548 016)	(519 867)
<b>Balance at end of year</b>	<b>4 554 751</b>	<b>4 130 667</b>

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	2015 R	2014 R
<b><u>Bonuses Accrued</u></b>		
Balance at beginning of year	1 990 934	1 964 336
Contribution to current portion	4 020 417	3 693 891
Expenditure incurred	(3 856 511)	(3 667 293)
Balance at end of year	<b>2 154 840</b>	<b>1 990 934</b>

Bonuses are being paid to all municipal staff. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

<b><u>Pension</u></b>		
Balance at beginning of year	35 055	35 055
Contribution to current portion	-	-
Expenditure incurred	(538)	-
Balance at end of year	<b>34 517</b>	<b>35 055</b>

Pension payments to staff who did not belong to a pension fund in 1994, according to a formula prescribed by a collective agreement. Payment of the amount will occur when respective employees retire. There is no possibility of reimbursement.

**8 PAYABLES FROM EXCHANGE TRANSACTIONS**

Trade Payables	3 400 689	2 052 489
Pre-paid electricity	315 117	312 016
Sundry Creditors	15 755 111	14 268 239
Balance Previously Reported		13 082 598
Correction of Error see note 39.01(g)		762 594
Correction of Error see note 39.01(h)		85 385
Correction of Error see note 39.01(m)		313 746
Correction of Error see note 39.01(n)		23 916
Payments received in advance	3 639 246	3 103 948
Retentions	746 326	1 077 893
<b>Total Trade Payables</b>	<b>23 856 489</b>	<b>20 814 586</b>

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Sundry deposits include hall, builders and housing deposits.

**9 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**

National Government Grants	958 883	4 966 869
Provincial Government Grants	499 999	1 372 063
<b>Total Unspent Conditional Grants and Receipts</b>	<b>1 458 883</b>	<b>6 338 933</b>

Refer to note 21 for a detail reconciliation of grants.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

See appendix "B" for reconciliation of grants from other spheres of government. The Municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

**10 TAXES**

**10.1 VAT PAYABLE**

VAT Payable	378 704	368 731
VAT Output in suspense	4 093 068	3 596 198
Less: Contribution to provision for impairment of trade receivables from exchange transactions	(2 802 008)	(2 322 622)
Opening balance	(2 322 622)	(1 950 738)
Balance Previously reported		(1 570 170)
Correction of error see note 39.01 (i)		(380 568)
Movement for the year	(479 385)	(371 884)
Balance Previously Reported		(250 290)
Correction of error see note 39.01 (j)		(121 594)
<b>Total VAT Payable</b>	<b>1 669 764</b>	<b>1 642 307</b>

**10.2 VAT RECEIVABLE**

VAT Input in suspense	1 871 968	1 142 259
<b>Total VAT Receivable</b>	<b>1 871 968</b>	<b>1 142 259</b>

**10.3 NET VAT RECEIVABLE/(PAYABLE)**

	<b>202 204</b>	<b>(500 048)</b>
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VAT is receivable/(payable) on the cash basis.







**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

12

**INVESTMENT PROPERTY**

**Net Carrying amount at 1 July**

Balance Previously reported  
Correction of error see note 39.01(o)  
Correction of error see note 39.01(p)  
Correction of error see note 39.01(q)  
Correction of error see note 39.01(r)

Disposals - current year

Balance Previously reported  
Correction of error see note 39.01(s)

Transfers from Property Plant and Equipment

Transfers from Inventory

Fair value gain/(losses)

Balance Previously Reported  
Correction of error see note 39.01(o)  
Correction of error see note 39.01(p)  
Correction of error see note 39.01(q)  
Correction of error see note 39.01(r)

**Carrying amount at 30 June**

Revenue derived from the rental of investment property

Operating expenditure incurred on properties generating revenue

Operating expenditure incurred on properties not generating revenue

Land to the value of R 3 460 774 were identified to be sold during the next financial year.

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the Municipality.

Fair value valuations were performed by an independent firm, South Cape Valuers. The valuator, Stephanus Janse Hendrikus de Swardt is a Professional Associated Valuer ( registration no 2970) at the South African Council for Property Valuers Profession

The method to be applied in the assessment of value will properly reflect the actions of buyers and sellers, as well as the approach typically followed by market participants, including brokers, in the assessment of selling prices. It will also reflect market circumstances at the time, such as the availability of property for rental and sale and the respective strengths and weaknesses of buyers and sellers.

2015 R	2014 R
62 378 400	58 489 570
	56 490 950
	879 720
	997 650
	(32 000)
	153 250
-	(1 709 550)
	(1 489 800)
	(219 750)
-	2 210 400
-	69 156
3 591 431	3 318 824
	2 994 444
	61 680
	247 800
	(51 600)
	66 500
<b>65 969 831</b>	<b>62 378 400</b>
<b>70 012</b>	<b>56 837</b>
<b>24 654</b>	<b>38 334</b>
<b>-</b>	<b>-</b>

13

**INTANGIBLE ASSETS**

**Computer Software and Servitudes**

**Net Carrying amount at 1 July**

Cost  
Accumulated Amortisation  
Amortisation

**Net Carrying amount at 30 June**

Cost  
Accumulated Amortisation

424 160	474 324
773 006	773 006
(348 846)	(298 682)
(50 164)	(50 164)
<b>373 995</b>	<b>424 160</b>
773 006	773 006
(399 011)	(348 846)

Computer Software were assets to have a life span of 15 years, Servitudes has an indefinite life span.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

There are no contractual commitments for the acquisition of intangible assets.

14

**LONG-TERM RECEIVABLES**

Housing Selling Scheme Loans  
Receivables with repayment arrangements

**Total Long-Term Receivables**

Less: Provision for Debt Impairment

**Total Net Long Term Receivables**

Less: Current portion transferred to current receivables

**Total Long Term Receivables**

-	593 678
1 074 602	1 031 507
1 074 602	1 625 185
(537 301)	(1 109 431)
<b>537 301</b>	<b>515 754</b>
(382 632)	(355 785)
<b>154 669</b>	<b>159 969</b>

The carrying amount of these assets approximates their fair value.

**The provision for Debt Impairment could be allocated to the different classes of Long-Term Receivables as follows:**

Housing Selling Scheme Loans  
Receivables subject to repayment arrangements

**Total Provision for Debt Impairment**

-	(593 678)
(537 301)	(515 753)
<b>(537 301)</b>	<b>(1 109 431)</b>

Housing loans are not granted to officials of the municipality, it is in respect of the old housing schemes. The outstanding amount relates to prior years and is not collectable. Housing loans which attract interest at 3-10% per annum and which are repayable over a maximum period of 20 years.

Receivables subject to repayment arrangements are debtors which are repaying their outstanding consumers accounts over a period of more than 12 months.

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	2015 R	2014 R
<b>15 INVENTORY</b>		
Consumable Stores - at cost	45 378	98 803
Water - at purification cost	332 871	270 741
Graves - at nett realisable value	46 316	41 667
Land Held for Resale - at cost	-	-
Balance Previously Reported		62 829
Correction of error see note 39.01 (k)		39 230
Correction of error see note 39.01 (l)		(102 059)
<b>Total Inventory</b>	<b>424 565</b>	<b>411 211</b>

No inventory assets were pledged as security for liabilities.

<b>16 RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
<b>Service Receivables</b>	<b>48 519 460</b>	<b>41 905 985</b>
Electricity	7 162 640	6 892 264
Water	8 467 169	6 221 235
Refuse	8 381 651	6 163 348
Sewerage	10 145 807	8 510 452
Other	14 362 193	14 118 686
<b>Other Receivables</b>	<b>263 651</b>	<b>158 377</b>
Sundry Receivables	263 651	158 377
<b>Total Receivables from Exchange Transactions</b>	<b>48 783 111</b>	<b>42 064 362</b>
Less: Provision for Debt Impairment	(37 077 675)	(32 006 821)
<b>Total Net Receivables from Exchange Transactions</b>	<b>11 705 436</b>	<b>10 057 541</b>

Consumer debtors are receivable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary.

Receivables to an amount of R4 million are pledged as security for financial liabilities.

**Reconciliation of Provision for Debt Impairment**

Balance at beginning of year	36 305 205	32 143 638
Balance Previously Reported		20 670 410
Correction of Error see note 39.01 (i)		11 473 229
Contribution to provision	10 496 093	7 752 335
Balance Previously Reported		5 399 654
Correction of Error see note 39.01 (j)		2 352 681
Bad Debts Written Off	(4 562 763)	(3 590 769)
<b>Balance at end of year</b>	<b>42 238 535</b>	<b>36 305 205</b>
Receivables from Exchange Transactions	37 077 675	32 006 821
Receivables from Non-Exchange Transactions	4 623 559	3 188 952
Long term receivables	537 301	1 109 431

Concentrations of credit risk with respect to trade receivables are limited due to the Municipality's large number of customers. The Municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the Municipality's trade receivables.

**Summary of debtors by customer classification**

**Consumers**

Current (0 - 30 days)	9 920 941	8 861 471
31 - 60 Days	3 841 173	3 030 115
61 - 90 Days	2 172 433	1 900 922
91 - 120 Days	1 637 260	1 514 762
+ 120 Days	35 473 586	30 065 307
<b>Total</b>	<b>53 045 393</b>	<b>45 372 577</b>

**Industrial/Commercial**

Current (0 - 30 days)	734 155	784 845
31 - 60 Days	182 765	144 371
61 - 90 Days	64 956	53 069
91 - 120 Days	23 727	14 841
+ 120 Days	368 824	543 182
<b>Total</b>	<b>1 374 427</b>	<b>1 540 307</b>

**National and Provincial Government**

Current (0 - 30 days)	88 957	65 326
31 - 60 Days	13 988	17 388
61 - 90 Days	8 460	18 391
91 - 120 Days	7 556	18 650
+ 120 Days	586 218	622 469
<b>Total</b>	<b>705 179</b>	<b>742 223</b>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
<b>Ageing of Receivables from Exchange Transactions:</b>		
<b><u>(Electricity): Ageing</u></b>		
Current (0 - 30 days)	4 869 020	4 592 053
31 - 60 Days	1 076 773	855 019
61 - 90 Days	266 170	211 590
91 - 120 Days	108 413	118 662
+ 120 Days	842 264	1 114 940
<b>Total</b>	<b>7 162 640</b>	<b>6 892 264</b>
<b><u>(Water): Ageing</u></b>		
Current (0 - 30 days)	980 909	851 081
31 - 60 Days	601 838	452 368
61 - 90 Days	477 920	277 550
91 - 120 Days	338 805	227 149
+ 120 Days	6 067 697	4 413 087
<b>Total</b>	<b>8 467 169</b>	<b>6 221 235</b>
<b><u>(Refuse): Ageing</u></b>		
Current (0 - 30 days)	1 165 091	807 521
31 - 60 Days	565 354	382 276
61 - 90 Days	376 895	266 240
91 - 120 Days	321 760	226 252
+ 120 Days	5 952 551	4 481 060
<b>Total</b>	<b>8 381 651</b>	<b>6 163 348</b>
<b><u>(Sewerage): Ageing</u></b>		
Current (0 - 30 days)	1 168 080	1 063 854
31 - 60 Days	610 512	509 895
61 - 90 Days	427 309	367 991
91 - 120 Days	360 940	309 502
+ 120 Days	7 578 966	6 259 210
<b>Total</b>	<b>10 145 807</b>	<b>8 510 452</b>
<b><u>(Other): Ageing</u></b>		
Current (0 - 30 days)	560 639	566 507
31 - 60 Days	608 294	525 251
61 - 90 Days	397 972	601 554
91 - 120 Days	334 190	493 849
+ 120 Days	12 461 098	11 931 524
<b>Total</b>	<b>14 362 193</b>	<b>14 118 686</b>
<b><u>(Total): Ageing</u></b>		
Current (0 - 30 days)	8 743 739	7 881 017
31 - 60 Days	3 462 771	2 724 809
61 - 90 Days	1 946 266	1 724 924
91 - 120 Days	1 464 108	1 375 415
+ 120 Days	32 902 576	28 199 821
<b>Total</b>	<b>48 519 460</b>	<b>41 905 985</b>
<b>17 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
Rates	6 605 537	5 749 123
Fines	1 982 736	315 750
Other Receivables	1 140 455	1 126 841
Eskom Deposits	303 030	266 628
Suspense Debtors	837 425	860 213
<b>Total Receivables from Non-Exchange Transactions</b>	<b>9 728 728</b>	<b>7 191 713</b>
Less: Allowance for Doubtful Debts	(4 623 559)	(3 188 952)
<b>Total Net Receivables from Non-Exchange Transactions</b>	<b>5 105 169</b>	<b>4 002 761</b>
The entire provision for bad debts relates to the outstanding rates balance.		

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

Ageing of Receivables from Non-Exchange Transactions:

<b><u>(Rates): Ageing</u></b>		
Current (0 - 30 days)	2 000 312	1 830 625
31 - 60 Days	575 155	467 066
61 - 90 Days	299 583	247 458
91 - 120 Days	204 435	172 838
+ 120 Days	3 526 052	3 031 136
<b>Total</b>	<b>6 605 537</b>	<b>5 749 123</b>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	2015 R	2014 R
<b>18 OPERATING LEASE ARRANGEMENTS</b>		
<b>18.1 The Municipality as Lessor (Asset)</b>		
<b>Balance on 1 July</b>	34 401	35 474
Movement during the year	(7 254)	(1 073)
<b>Balance on 30 June</b>	<b>27 147</b>	<b>34 401</b>
At the Statement of Financial Position date, where the Municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	71 009	68 074
1 to 5 Years	58 526	129 535
More than 5 Years	-	-
<b>Total Operating Lease Arrangements</b>	<b>129 535</b>	<b>197 609</b>
This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.		
The Municipality is leasing land and buildings to different rate payers for periods ranging from 36 to 120 months with escalations of between 3% and 10% per year.		
The leases are in respect of land and buildings being leased out for previous ranging until 2019.		
The municipality does not engage in any sub-lease arrangements.		
The municipality did not receive any contingent rent during the year		
<b>19 CASH AND CASH EQUIVALENTS</b>		
<b>Assets</b>		
Bank Accounts	10 726 798	3 442 099
Cash Floats	6 150	6 800
<b>Total Cash and Cash Equivalents - Assets</b>	<b>10 732 948</b>	<b>3 448 899</b>
<b>Liabilities</b>		
ABSA Bank - Account Number 40-5057-5029	-	750 056
<b>Total Cash and Cash Equivalents - Liabilities</b>	<b>-</b>	<b>750 056</b>
The Municipality has the following bank accounts:		
<b>Current Accounts - Assets</b>		
ABSA Bank - Account Number 40-5057-5029	5 407 428	-
ABSA Bank - Account Number 40-7513-2844	486 744	247 023
ABSA Bank - Account Number 40-7512-9982	2 902 302	1 314 696
ABSA Bank - Account Number 40-7554-5657	1 930 324	1 267 712
ABSA Bank - Account Number 40-7670-7628	-	612 668
	<b>10 726 798</b>	<b>3 442 099</b>
<b>Current Accounts - Liabilities</b>		
ABSA Bank - Account Number 40-5057-5029	-	750 056
<b>ABSA Bank - Account Number 40-5057-5029</b>		
Cash book balance at beginning of year	(750 056)	1 691 052
Cash book balance at end of year	5 407 428	(750 056)
Bank statement balance at beginning of year	2 306 463	1 691 052
Bank statement balance at end of year	5 028 549	2 306 463
<b>ABSA Bank - Account Number 40-7513-2844</b>		
Cash book balance at beginning of year	247 023	4 200
Cash book balance at end of year	486 744	247 023
Bank statement balance at beginning of year	247 023	4 200
Bank statement balance at end of year	486 744	247 023
<b>ABSA Bank - Account Number 40-7512-9982</b>		
Cash book balance at beginning of year	1 314 696	4 036
Cash book balance at end of year	2 902 302	1 314 696
Bank statement balance at beginning of year	1 314 696	4 036
Bank statement balance at end of year	2 902 302	1 314 696
<b>ABSA Bank - Account Number 40-7554-5657</b>		
Cash book balance at beginning of year	1 267 712	-
Cash book balance at end of year	1 930 324	1 267 712
Bank statement balance at beginning of year	1 267 712	-
Bank statement balance at end of year	1 930 324	1 267 712
<b>ABSA Bank - Account Number 40-7670-7628</b>		
Cash book balance at beginning of year	612 668	612 668
Cash book balance at end of year	-	612 668
Bank statement balance at beginning of year	612 668	612 668
Bank statement balance at end of year	-	612 668

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

20	<b>PROPERTY RATES</b>	<b>2015</b>	<b>2014</b>
		<b>R</b>	<b>R</b>
	<u><b>Actual</b></u>		
	<b>Rateable Land and Buildings</b>		
	Residential, Commercial Property, State	32 573 584	28 858 184
	Balance Previously Reported		29 351 335
	Correction of error see note 38.01 (v)		(493 151)
	<b>Total Assessment Rates</b>	<b>32 573 584</b>	<b>28 858 184</b>
	<b>Rates:</b>		
	Residential	0.00985 c/R	0.00927 c/R
	Commercial	0.00985 c/R	0.00927 c/R
	Agricultural (2010 - less 65% rebate)	0.00246 c/R	0.00196 c/R
	DMA Agricultural	0.00052 c/R	0.00049 c/R

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2011. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Rates are levied annually and monthly. Monthly rates are payable by the 25th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

21	<b>GOVERNMENT GRANTS AND SUBSIDIES</b>	<b>39 922 000</b>	<b>37 874 000</b>
	<b>Unconditional Grants</b>	<b>39 922 000</b>	<b>37 874 000</b>
	Equitable Share		
	<b>Conditional Grants</b>	<b>35 969 799</b>	<b>34 718 936</b>
	CDW's	147 818	186 907
	Department of Mineral Resources	1 085 272	600 913
	Department of Sport and Culture	-	346 476
	Revenue Enhancement	998 012	541 988
	FMG	1 450 000	1 300 000
	Housing	-	250 316
	Library Services	6 502 984	3 475 440
	MIG	22 060 482	14 424 518
	MSIG	759 232	890 000
	EPWP	1 201 000	1 000 000
	DWAF	1 058 000	340 000
	ACIP	-	7 256 039
	Neighbourhood Development	310 999	2 430 612
	Public Transport	46 000	1 675 727
	Municipal Performance Management Grant	100 000	-
	Municipal Infrastructure Support Grant	250 000	-
	<b>Total Government Grants and Subsidies</b>	<b>75 891 799</b>	<b>72 592 936</b>
	Government Grants and Subsidies - Capital	26 251 432	27 593 337
	Government Grants and Subsidies - Operating	49 640 367	44 999 599
		<b>75 891 799</b>	<b>72 592 936</b>

**Revenue recognised per vote as required by Section 123 (c) of the MFMA**

Equitable share	39 922 000	37 874 000
Executive and Council	100 000	389 156
Budget and treasury office	28 699 444	28 893 336
Corporate Services	663 244	890 000
Community and social services	5 252 284	3 546 443
Road Transport	1 247 000	1 000 001
Electricity	7 827	-
	<b>75 891 799</b>	<b>72 592 936</b>

The Municipality does not expect any significant changes to the level of grants.

**21.1 Equitable share**

Opening balance	-	-
Grants received	39 922 000	37 874 000
Conditions met - Operating	(39 922 000)	(37 874 000)
Conditions met - Capital	-	-
Conditions still to be met/(Grant Expenditure to be recovered)	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the Municipality by the National Treasury.

**21.2 Local Government Financial Management Grant (FMG)**

Opening balance	-	-
Grants received	1 450 000	1 300 000
Conditions met - Operating	(1 450 000)	(1 300 000)
Conditions met - Capital	-	-
Conditions still to be met/(Grant Expenditure to be recovered)	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

**21.3 Municipal Systems Improvement Grant**

Opening balance	-	-
Grants received	934 000	890 000
Conditions met - Operating	(663 244)	(890 000)
Conditions met - Capital	(95 988)	-
Conditions still to be met/(Grant Expenditure to be recovered)	174 768	-

The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
<b>21.4 Municipal Infrastructure Grant (MIG)</b>		
Opening balance	4 597 482	-
Grants received	20 089 000	19 022 000
Grants repaid	(2 626 000)	-
Conditions met - Operating	-	-
Conditions met - Capital	(22 060 482)	(14 424 518)
Conditions still to be met/(Grant Expenditure to be recovered)	<u>-</u>	<u>4 597 482</u>

The grant was used to upgrade infrastructure in previously disadvantaged areas.

<b>21.5 Housing Grants</b>		
Opening balance	-	-
Grants received	-	250 316
Conditions met - Operating	-	-
Conditions met - Capital	-	(250 316)
Conditions still to be met/(Grant Expenditure to be recovered)	<u>-</u>	<u>-</u>

Housing grants was utilised for the development of erven and the erection of top structures.

<b>21.6 Department of Mineral Resources</b>		
Opening balance	-	60 913
Grants received	1 500 000	2 000 000
Conditions met - Operating	-	-
Conditions met - Capital	(1 085 272)	(600 913)
Grants repaid	-	(1 460 000)
Conditions still to be met/(Grant Expenditure to be recovered)	<u>414 728</u>	<u>-</u>

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

<b>21.7 Other Grants</b>		
Opening balance	1 741 451	1 437 980
Grants received	10 945 000	17 556 660
Grants repaid	(1 202 249)	-
Conditions met - Operating	(7 605 123)	(4 935 599)
Conditions met - Capital	(3 009 690)	(12 317 590)
Conditions still to be met/(Grant Expenditure to be recovered)	<u>869 389</u>	<u>1 741 451</u>

Various grants were received from other spheres of government (e.g. Library Services Grant and Neighbourhood Development Grant).

<b>21.8 Total Grants</b>		
Opening balance	6 338 933	1 498 893
Grants received	74 840 000	78 892 976
Grants repaid	(3 828 249)	(1 460 000)
Conditions met - Operating	(49 640 368)	(44 999 600)
Conditions met - Capital	(26 251 432)	(27 593 336)
Conditions still to be met/(Grant expenditure to be recovered)	<u>1 458 884</u>	<u>6 338 933</u>

**Disclosed as follows:**

Unspent Conditional Government Grants and Receipts	1 458 883	6 338 933
Unpaid Conditional Government Grants and Receipts	<u>-</u>	<u>-</u>
	<u>1 458 883</u>	<u>6 338 933</u>

**22 SERVICE CHARGES**

<b>Electricity</b>	84 374 508	75 137 729
Service Charges	85 275 693	75 887 525
Less: Revenue foregone	(901 185)	(749 796)
Balance Previously Reported		(1 242 947)
Correction of error see note 39.01 (v)		493 151
<b>Water</b>	17 694 998	13 145 309
Service Charges	17 988 003	13 441 534
Less: Revenue foregone	(293 004)	(296 225)
<b>Refuse removal</b>	12 995 056	9 184 008
Service Charges	15 363 669	11 029 920
Less: Revenue foregone	(2 368 613)	(1 845 912)
<b>Sewerage and Sanitation Charges</b>	12 966 227	11 939 645
Service Charges	15 796 263	14 590 664
Less: Revenue foregone	(2 830 036)	(2 651 019)
<b>Total Service Charges</b>	<u>128 030 790</u>	<u>109 406 691</u>

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

23	<b>OTHER INCOME</b>	<b>2015 R</b>	<b>2014 R</b>
	Advertising	40 203	28 439
	Application Fees - Town Planning	106 211	48 018
	Aqua Kultuur	137 173	134 821
	Building Plan Fees	239 334	318 112
	Cemetery	445 226	338 756
	Cemetery Digging	9 361	12 812
	Encroachments	33 983	60 054
	Namakwa fees	-	50 000
	Housing Redeemed	69 879	61 703
	Insurance Claims	356 731	305 541
	Photocopies	30 297	25 723
	Refuse Bags	-	162
	Roadworthy Certificates	687 892	670 703
	Subscription Fees	298	219
	Sundry Income - Finance	2 692 036	563 578
	Valuation Certificates	90 133	65 645
	Telephone	103 217	144 420
	<b>Total Other Income</b>	<b>5 041 973</b>	<b>2 828 705</b>
	Sundry Income (Finance) includes an amount for the Landfill site. The decrease in liability exceeded the carrying amount of the asset, and the excess was recognized as income.		
24	<b>CONTRIBUTING PROPERTY PLANT AND EQUIPMENT</b>		
	Contribution Property Plant and Equipment	11 560 003	-
	<b>Total Contributing Property, Plant and Equipment</b>	<b>11 560 003</b>	<b>-</b>
	Department of Land Reforms and Namakwa Sand Mining Company contributed towards the construction of infrastructure and community assets		
25	<b>FAIR VALUE ADJUSTMENTS</b>		
	Fair Value adjustments of Investment Property	3 591 431	3 318 824
	Balance Previously Reported		2 994 444
	Correction of error see note 39.01(o)		61 680
	Correction of error see note 39.01(p)		247 800
	Correction of error see note 39.01(q)		(51 600)
	Correction of error see note 39.01(r)		66 500
	<b>Total Fair Value Adjustments</b>	<b>3 591 431</b>	<b>3 318 824</b>
26	<b>RENTAL OF FACILITIES AND EQUIPMENT</b>		
	Strandfontein	2 101 392	1 751 379
	Other rentals	1 240 174	874 966
	<b>Total Rental of Facilities and Equipment</b>	<b>3 341 566</b>	<b>2 626 345</b>
27	<b>FINES</b>		
	Municipal Traffic Fines	2 350 965	750 015
	Provincial Traffic Fines	1 186 120	927 193
	Other	28 556	33 622
	<b>Total Fines</b>	<b>3 565 641</b>	<b>1 710 830</b>
28	<b>EMPLOYEE RELATED COSTS</b>		
	Bonuses	4 020 417	3 693 891
	Contributions for UIF, pensions and medical aids	12 028 669	10 915 434
	Housing Subsidy	204 562	164 692
	Long service awards	396 840	460 253
	Overtime	2 839 420	2 245 621
	Post Employment Health	1 002 877	876 703
	Protective Clothing	323 746	380 964
	Provision for Staff Leave	972 100	896 513
	Salaries and Wages	55 769 704	51 052 804
	Skills Development Levy and Training	547 458	416 253
	Travel, motor car, telephone, assistance and other allowances	3 258 448	3 207 433
	Correction of error see note 39.01(n)	-	23 916
	<b>Total Employee Related Costs</b>	<b>81 364 241</b>	<b>74 334 478</b>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	2015 R	2014 R
<b>KEY MANAGEMENT PERSONNEL</b>		
Municipal Manager is appointed on a 5 year fixed contract. There are no post-employment or termination benefits payable at the end of the contract period. All other Directors are permanently appointed.		
<b>REMUNERATION OF KEY MANAGEMENT PERSONNEL</b>		
<i><b>Remuneration of the previous Municipal Manager: DGI O'NEILL (Resigned August 2013)</b></i>		
Annual Remuneration	-	138 600
Bonus	-	54 000
Contributions for UIF, pensions and medical aids	-	34 344
Travel, motor car, telephone, assistance and other allowances	-	111 118
Skills Development Levy and Training	-	3 050
<b>Total</b>	<b>-</b>	<b>341 112</b>
<i><b>Remuneration of the Director Technical Services: J PEKEUR</b></i>		
Annual Remuneration	582 544	544 755
Bonus	38 400	38 400
Contributions for UIF, pensions and medical aids	150 427	140 671
Travel, motor car, telephone, assistance and other allowances	74 568	105 142
Skills Development Levy and Training	7 301	7 099
<b>Total</b>	<b>853 240</b>	<b>836 067</b>
Included in remuneration of the Director Technical Services is also the allowance for acting as Municipal Manager during current financial year		
<i><b>Remuneration of the Director Corporate Services: W CONRADIE</b></i>		
Annual Remuneration	539 048	495 030
Contributions for UIF, pensions and medical aids	144 109	139 141
Travel, motor car, telephone, assistance and other allowances	71 960	86 461
Skills Development Levy and Training	6 087	5 799
<b>Total</b>	<b>761 204</b>	<b>726 431</b>
Included in remuneration of the Director Corporate Services is also the allowance for acting as Municipal Manager during current financial year		
<i><b>Remuneration of the Director Community Services: J SWARTZ</b></i>		
Annual Remuneration	626 192	538 106
Bonus	6 600	26 708
Contributions for UIF, pensions and medical aids	152 647	143 396
Travel, motor car, telephone, assistance and other allowances	56 633	192 848
Skills Development Levy and Training	7 228	8 128
<b>Total</b>	<b>849 300</b>	<b>909 185</b>
Included in remuneration of the Director Community Services is also the allowance for acting as Municipal Manager during current financial year		
<i><b>Remuneration of the previous Director Financial Services: U BAARTMAN ( Resigned October 2013)</b></i>		
Annual Remuneration	-	147 805
Bonus	-	14 175
Contributions for UIF, pensions and medical aids	-	39 082
Housing Subsidy	-	30 823
Travel, motor car, telephone, assistance and other allowances	-	53 784
Skills Development Levy and Training	-	2 550
<b>Total</b>	<b>-</b>	<b>288 218</b>
<i><b>Remuneration of the current Director Financial Services: M BOLTON (Appointed October 2013)</b></i>		
Annual Remuneration	961 433	498 064
Bonus	65 467	-
Contributions for UIF, pensions and medical aids	151 053	98 461
Travel, motor car, telephone, assistance and other allowances	76 237	89 220
Skills Development Levy and Training	11 054	5 708
<b>Total</b>	<b>1 265 244</b>	<b>691 453</b>
Included in remuneration of the Director Financial Services is also the allowance for acting as Municipal Manager during current financial year.		
<i><b>Remuneration of the current Director Planning and Development: L PHILLIPS (Appointed May 2015)</b></i>		
Annual Remuneration	108 116	-
Contributions for UIF, pensions and medical aids	297	-
Housing Subsidy	13 131	-
Travel, motor car, telephone, assistance and other allowances	22 539	-
Skills Development Levy and Training	1 284	-
<b>Total</b>	<b>145 367</b>	<b>-</b>



**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

		2015 R	2014 R
<b>29</b>	<b>REMUNERATION OF COUNCILLORS</b>		
	PG Bok	663 855	171 764
	DS Goedeman	498 779	563 129
	MC Witbooi	559 740	529 238
	MJ Smith	236 416	224 216
	DD Jenner	-	5 403
	R Stephan	236 416	224 216
	A Sinyamba	236 416	224 216
	F Bam	559 740	529 238
	EL Mqingqi	236 416	224 216
	WH Nell	595 664	563 129
	IF Julies	-	145 200
	C vd Westruis	285 671	529 238
	B Owies	-	90 047
	AGM Julies	236 416	224 216
	J Botha	587 534	698 694
	W Fortuin	236 416	216 337
	Y Cloete	236 416	117 511
	B Julies	236 416	21 385
	<b>Total Councillors' Remuneration</b>	<b>5 642 312</b>	<b>5 301 393</b>
	<b>Remuneration of councillors can be summarised as follows:</b>		
	Salaries	4 447 955	4 051 491
	Travel, motor car, telephone, assistance and other allowances	654 270	714 848
	Contributions for UIF, pensions and medical aids	540 086	535 054
	<b>Total Councillors' Remuneration</b>	<b>5 642 312</b>	<b>5 301 393</b>
	Mayor	740 105	698 694
	Deputy Mayor	498 779	563 129
	Speaker	595 664	563 129
	Mayoral Committee	1 679 782	1 587 714
	Councillors	2 127 981	1 888 727
	<b>Total Councillors' Remuneration</b>	<b>5 642 312</b>	<b>5 301 393</b>
	<b>In-kind Benefits</b>		
	The Executive Mayor and all the committee members are part-time. The Mayor are provided with secretarial support and an office at the cost of the Council.		
<b>30</b>	<b>DEBT IMPAIRMENT</b>		
	Trade Receivables from exchange transactions - Note 16	9 276 197	7 699 393
	Balance Previously reported		4 893 648
	Correction of error see note 39.01(j)		2 805 746
	Trade Receivables from non-exchange transactions	1 219 896	52 942
	Balance Previously reported		506 007
	Correction of error see note 39.01(j)		(453 065)
	VAT Portion of Provision - note 10	(479 385)	(371 884)
	Balance Previously reported		(250 290)
	Correction of error see note 39.01 (j)		(121 594)
	<b>Total Debt Impairment</b>	<b>10 016 708</b>	<b>7 380 451</b>
<b>31</b>	<b>DEPRECIATION AND AMORTISATION</b>		
	Property Plant and Equipment	11 516 916	9 043 992
	Balance Previously Reported		11 470 426
	Correction of error see note 39.01(a)		(2 444 309)
	Correction of error see note 39.01(b)		47 323
	Correction of error see note 39.01( c )		3 417
	Correction of error see note 39.01( d )		4 046
	Correction of error see note 39.01 (f)		(36 911)
	Intangible Assets	50 164	50 164
	<b>Total Depreciation and Amortisation</b>	<b>11 567 081</b>	<b>9 094 157</b>
<b>32</b>	<b>REVERSAL OF IMPAIRMENT LOSS</b>		
	Property, Plant & Equipment	(59 781)	(23 019)
	<b>Total Impairments</b>	<b>(59 781)</b>	<b>(23 019)</b>
	The reversal of impairment relate to the capitalised restoration costs. The reversal of impairment was caused by the change in the discount rate which is linked to prime rate		
<b>33</b>	<b>FINANCE CHARGES</b>		
	Long-term Liabilities	3 767 345	4 089 333
	Landfill Sites	1 893 759	1 653 979
	Post Employment Health	1 835 454	1 560 087
	Long service awards	346 304	275 707
	Interest paid on arrear account	54 671	83 963
	<b>Total Finance Charges</b>	<b>7 897 532</b>	<b>7 663 069</b>
<b>34</b>	<b>REPAIRS AND MAINTENANCE</b>		
	Repairs and Maintenance	8 227 616	8 026 133
	Balance Previously Reported		11 772 335
	Correction of error see note 39.01 (t)		(3 746 202)
	<b>Total Repairs and Maintenance</b>	<b>8 227 616</b>	<b>8 026 133</b>
<b>35</b>	<b>BULK PURCHASES</b>		
	Electricity	68 116 282	62 190 521
	Water	5 702 564	4 638 415
	<b>Total Bulk Purchases</b>	<b>73 818 846</b>	<b>66 828 936</b>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	2015 R	2014 R
<b>36 CONTRACTED SERVICES</b>		
Speeding	4 565	70 440
Other	-	-
Balance Previously Reported		2 240 085
Correction of error see note 39.01 (u)		(2 240 085)
<b>Total Contracted Services</b>	<b>4 565</b>	<b>70 440</b>
<b>37 GRANTS AND SUBSIDIES</b>		
Donations General	-	2 619
Life Guards	129 940	126 260
Poverty Alleviation	10 903	9 172
Tourism	786 520	742 000
Sport development	867	-
<b>Total Grants and Subsidies</b>	<b>928 229</b>	<b>880 051</b>
<b>38 GENERAL EXPENSES</b>		
Advertisements	182 877	202 314
Aqua Kultuur	84 282	134 821
Audit Committee Fees	51 075	11 410
Audit Fees	1 527 368	1 445 986
Bank Charges	425 021	364 159
Cleaning Material	118 751	112 034
Commission Paid	1 158 851	1 055 728
Computer Charges	522 689	488 211
Consulting fees	3 791 703	2 937 905
Balance Previously Reported		697 820
Correction of error see note 39.01 (u)		2 240 085
Contributions	67 657	46 837
Development Programmes	260 036	236 510
Embellishment of Towns	1 962	5 000
Entertainment Costs	8 532	-
Gas	82 488	69 241
Fuel	3 519 056	3 746 202
Balance Previously Reported		-
Correction of error see note 39.01 (t)		3 746 202
Information Signs	31 893	28 140
Insurance	784 186	812 737
Municipal Services	2 145 583	1 560 680
Mosters	391 377	319 291
Namakwa fees	-	60 478
Photocopies	76 456	33 662
Postage	55 067	59 086
Printing and Stationary	833 401	750 666
Public Entertainment	103 326	69 654
Rental	112 462	99 753
Security Costs	605 083	579 768
Service Connection Fees	320 853	328 213
Services	136 708	135 122
Subscription Fees	776 158	706 260
Survey Costs	14 061	29 200
Telephone	1 346 323	1 139 983
Training Costs	24 951	81 369
Travel and Subsistence	1 378 678	1 057 372
Valuation Costs	80 000	49 542
Rental external networks-IT	1 433 425	1 297 871
Other	1 070 740	475 905
Prodiba payments	266 388	263 426
<b>General Expenses</b>	<b>23 789 488</b>	<b>20 794 536</b>
<b>39 CORRECTION OF ERROR IN TERMS OF GRAP 3</b>		
<b>39.01 (a)</b>	During the year the Municipality has comprehensively reviewed Infrastructure Assets which consequently lead to a more detailed unbundling and reclassification. This resulted in changes in accumulated depreciation and annual depreciation as it effected the assets since inception. This was retrospectively corrected with the following entries: Dt. Accumulated Depreciation Opening balance R19 882 080.80, (Ct) Accumulated Surplus Prior Year R19 882 080.80.00. Dt Accumulated Depreciation 2013/14 R2 444 308.89, (Ct) Accumulated surplus Current Year 2013/14 R2 444 308.89	
<b>(b)</b>	First Time Recognition of Land&Buildings at cost as at 1 July 2007 with the following entries. Dt Land & Buildings at Cost Opening balance, R6 607 550, (Ct) Accumulated Surplus Prior Year R6 607 550. Dt. Accumulated Surplus Opening balance R283 938, (Ct) Accumulated Depreciation Opening balance R283 938. Dt Accumulated Surplus Current year 2013/14 R47 323, (Ct) Accumulated Depreciation 2013/14 R47 323	
<b>(c)</b>	First Time Recognition of Community Assets at Cost as at 1 July 2007 with the following entries: Dt Community Assets at Cost Opening balance R925 900 (Ct) Accumulated Surplus Opening balance R925 900. Dt. Accumulated Surplus Prior Year R20 502, (Ct) Accumulated Depreciation Opening balance R20 502. Dt Accumulated Surplus Current year R3 417, (Ct) Accumulated Depreciation 2013/14 R3 417	
<b>(d)</b>	First Time Recognition of Other Assets at Cost as at 1 July 2007 with the following entries: Dt Other Assets at Cost Opening balance R61 932.78 (Ct) Accumulated Surplus Prior Year R61 932.78. Dt Accumulated Surplus Prior year R28 071.55 (Ct) Accumulated Depreciation Opening balance R28 071.55, Dt Accumulated Surplus Current Year R4045.81 (Ct) Accumulated Depreciation 2013/14 R4045.81	
<b>(e)</b>	Correction of Other assets at Cost 2013/14, reversal of disposal on assets 4485 and 4486, with the following entries: Dt. Other Assets at Cost 2013/14 R2 882.37 (Ct) Accumulated Surplus 2013/14 ( Loss on Disposal of PPE ) R1 883, (Ct) Accumulated Depreciation 2013/14 R999.28	
<b>(f)</b>	Correction of Other assets Opening Balance at Cost. Duplicate assets identified. This is corrected with the following entries: Dt. Accumulated Surplus Prior Year R170 745.90, (Ct) Other Assets Opening Balance R170 745.90. Dt Accumulated Depreciation Opening Balance R79 335.22, (Ct) Accumulated Surplus Prior Year R79 335.22. Dt Accumulated Depreciation 2013/14 R36 911, (Ct) Accumulated Surplus Current year 2013/14 R36 911	
<b>(g)</b>	Correction of Opening balance Payables from Exchange Transactions. Outstanding creditor for Workmen's Compensation Prior period payments still to be made. This is corrected with the following entries, Dt. Accumulated Surplus Prior Year R762 593.71, (Ct) Payables from Exchange Transactions R762 593.71	
<b>(h)</b>	Correction of Opening balance Payables from Exchange Transactions Outstanding creditor for MVS prior period payments still outstanding. This is corrected with the following entries: Dt. Accumulated Surplus Prior year R85 385, (Ct) Payables from Exchange transactions R85 385	
<b>(i)</b>	Correction of Opening balance Receivables from Exchange Transactions, Receivables from Non-Exchange Transactions and Taxes Opening balance due to the re-assessment of Bad Debt Provision. The previous assessment was seen to not be a true reflection and a more conservative approach was followed. This is corrected with the following entries, Dt Accumulated Surplus Prior year R11 092 660.38, Dt Taxes Prior Year R 380 568.12 and (Ct)Receivables from Non-exchange R857 035.26 , (Ct) Receivables from Exchange transactions R10 616 193.24	

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

- (j) Correction of Receivables from Exchange Transactions, Receivables from Non-Exchange Transactions and Taxes 2013/14 balance due to the re-assessment of Bad Debt Provision. The previous assessment was seen to not be a true reflection and a more conservative approach was followed. This is corrected with the following entries: Dt Accumulated Surplus Current year R2 231 087.30, Dt Taxes 2013/14 Year R121 593.53 and (Ct) Receivables from Non-exchange transactions R453 064.71, (Ct) Receivables from Exchange transactions R2 805 745.55
- (k) Correction of Inventory 2013/14, reversal of Disposal of Inventory. This is now corrected with the following entries Dt. Inventory 2013/14 R39 229.64, (Ct) Accumulated Surplus Current year ( Profit on Sale of PPE) R39 229.64
- (l) Correction of Inventory Opening Balance. Inventory incorrectly classified at initial recognition. This is now corrected with following entries Dt Accumulated Surplus Prior year R102 059 (Ct) Inventory Opening balance R102 059
- (m) Correction of Payables from Exchange Transactions Opening balance due to Back-pay on Employee Related costs for prior periods only calculated 2014/15. This is now corrected with the following entries Dt Accumulated Surplus Prior year R313 746, (Ct) Payables from Exchange Transactions R313 746
- (n) Correction of Payables from Exchange Transactions 2013/14 due to Back-pay on Employee Related cost. This is now corrected with the following entries Dt Accumulated Surplus ( Employee Related Costs) R23 916, (Ct) Payables from Exchange Transactions R23 916
- (o) First Time recognition of Investment Property at Fair Value opening balance with and Fair value 2013/14 not accounted for with the following entries. Cost : Dt Investment Property R879 720, (Ct) Accumulated Surplus Opening Balance R879 720, Dt Investment Property R61 680, (Ct) Accumulated Surplus Current Year(Fair Value Adjustments) R61 680
- (p) First Time recognition of Investment Property incorrectly classified as PPE, now corrected with the following entries: Dt Investment Property R997 650 (Ct) Accumulated Surplus Prior Year R99 7650, Dt Investment Property R247 800 and (Ct) Accumulated Surplus 2013-14 ( Fair value adjustments) R 247 800
- (q) Derecognition of Investment Property incorrectly classified. This is now corrected with the following entries Dt Accumulated Surplus Prior Year R32000, (Ct) Investment Property Opening balance R32000. Dt Accumulated Surplus Current Year R51 600, (Ct) Investment Property R51 600
- (r) First Time Recognition of Investment Property incorrectly classified as Inventory in prior periods. This is now corrected with the following entries Dt Investment Property R 153 250, (Ct) Accumulated Surplus Prior Year R153 250. Dt Investment Property R66 500, (Ct) Accumulated Surplus Current Year(Fair value adjustments) R66 500
- (s) Correction of Investment Property 2013-14. Disposal of Investment Property understated. This is now corrected with the following entries Dt Accumulated Surplus Current Year ( Profit on sale of Land) R219 750, (Ct) Investment Property R219 750
- (t) Correction of Fuel charges incorrectly classified as Repairs & Maintenance during the previous financial year. This is now corrected with the following entries: Dt General Expenses R3 746 202 (Ct) Repairs & Maintenance R3 746 202
- (u) Correction of Consulting Fees incorrectly classified as Contracted services in the previous financial year: This is now corrected with the following entries Dt Consulting fees R2 240 085, (Ct) Contracted services R2 240 085
- (v) Correction of Revenue Foregone on Electricity Charges incorrectly journalised to Property Rates in 2013/14. This resulted in Property Rates to be overstated and Service charges Electricity to be understated in 2013/14. This is now corrected with the following entries Dt Property Rates Income R493 151 and (Ct ) Electricity Revenue Foregone R493 151

	2014 R	2013 R
<b>39.02 Accumulated Surplus/(Deficit)</b>	<b>364 844 048</b>	<b>338 631 847</b>
Balance previously reported		
Correction of Accumulated Depreciation Infrastructure Assets Opening balance see note 39.01(a)	19 882 081	19 882 081
Correction of Accumulated Depreciation Infrastructure Assets 2013/14 see note 39.01(a)	2 444 309	-
Correction of Land&Buildings at Cost Opening balance see note 39.01(b)	6 607 550	6 607 550
Correction of Accumulated Depreciation Land & Buildings Opening balance see note 39.01(b)	(283 938)	(283 938)
Correction of Accumulated Depreciation 2013/14 Land& Buildings see note 39.01(b)	(47 323)	-
Correction of Community Assets at Cost Opening Balance see note 39.01( c )	925 900	925 900
Correction of Accumulated Depreciation Community Assets Opening balance see note 39.01 ( c )	(20 502)	(20 502)
Correction of Accumulated Depreciation Community Assets 2013/14 see note 39.01( c )	(3 417)	-
Correction of Other Assets at Cost Opening Balance see note 39.01( d )	61 933	61 933
Correction of Accumulated Depreciation Other Assets Opening balance see note 39.01 ( d )	(28 071)	(28 071)
Correction of Accumulated Depreciation Other Assets 2013/14 see note 39.01( d )	(4 046)	-
Correction of Other Assets at Cost see note 39.01 ( e )	2 882	-
Correction of Accumulated Depreciation Other assets 2013/14 see note 39.01 ( e )	(999)	-
Correction of Other Assets at Cost Opening balance see note 39.01 (f)	(170 746)	(170 746)
Correction of Other Assets Accumulated Depreciation Opening balance see note 39.01(f)	79 335	79 335
Correction of Other Assets Accumulated Depreciation 2013/14 see note 39.01 (f)	36 911	-
Correction of Payables from Exchange Transactions Opening balance see note 39.01 (g)	(762 594)	(762 594)
Correction of Payables from Exchange Transactions Opening balance see note 39.01(h)	(85 385)	(85 385)
Correction of Taxes Opening balance see note 39.01(i)	380 568	380 568
Correction of Receivables from Exchange Transactions Opening balance see note 39.01(i)	(10 616 193)	(10 616 193)
Correction of Receivables from Non-Exchange Transactions Opening balance see note 39.01(i)	(857 035)	(857 035)
Correction of Taxes Opening balance see note 39.01(j)	121 594	-
Correction of Receivables from Exchange Transactions Opening balance see note 39.01(j)	(2 805 746)	-
Correction of Receivables from Non-Exchange Transactions Opening balance see note 39.01(j)	453 065	-
Correction of Inventory 2013/14 see note 39.01(k)	39 230	-
Correction of Inventory Opening balance - see note 39.01(l)	(102 059)	(102 059)
Correction of Payables from Exchange Opening balance see note 39.01(m)	(313 746)	(313 746)
Correction of Payables from Exchange 2013/14 see note 39.01(n)	(23 916)	-
Correction of Investment Property Opening balance see note 39.01(o)	879 720	879 720
Correction of Investment Property 2013/14 balance see note 39.01(o)	61 680	-
Correction of Investment Property Opening balance see note 39.01(p)	997 650	997 650
Correction of Investment Property 2013/14 balance see note 39.01(p)	247 800	-
Correction of Investment Property Opening balance see note 39.01(q)	(32 000)	(32 000)
Correction of Investment Property 2013/14 balance see note 39.01(q)	(51 600)	-
Correction of Investment Property Opening balance see note 39.01(r)	153 250	153 250
Correction of Investment Property 2013/14 balance see note 39.01(r)	66 500	-
Correction of Investment Property 2013/14 balance see note 39.01(s)	(219 750)	-
<b>Restated Balance</b>	<b>381 856 939</b>	<b>355 327 565</b>

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		2014 R	2013 R
<b>39.03</b>	<b>Property Plant and Equipment</b>	<b>COST</b>	<b>COST</b>
	Balance previously reported Property Plant & Equipment at Cost	<b>524 395 803</b>	<b>499 825 690</b>
	Correction of Land&Buildings at Cost Opening balance see note 39.01(b)	6 607 550	6 607 550
	Correction of Community Assets at Cost Opening Balance see note 39.01( c )	925 900	925 900
	Correction of Other Assets at Cost Opening Balance see note 39.01( d )	61 933	61 933
	Correction of Other Assets at Cost see note 39.01 ( e )	2 882	-
	Correction of Other Assets at Cost Opening balance see note 39.01 (f)	(170 746)	(170 746)
	<b>Restated Balance</b>	<b>531 823 322</b>	<b>507 250 327</b>
		<b>ACC DEPR</b>	<b>ACC DEPR</b>
	Balance previously reported Accumulated Depreciation Property Plant & Equipment	<b>113 474 215</b>	<b>102 728 740</b>
	Correction of Accumulated Depreciation Infrastructure Assets Opening balance see note 39.01(a)	(19 882 081)	(19 882 081)
	Correction of Accumulated Depreciation Infrastructure Assets 2013/14 see note 39.01(a)	(2 444 309)	-
	Correction of Accumulated Depreciation Land & Buildings Opening balance see note 39.01(b)	283 938	283 938
	Correction of Accumulated Depreciation 2013/14 Land& Buildings see note 39.01(b)	47 323	-
	Correction of Accumulated Depreciation Community Assets Opening balance see note 39.01( c )	20 502	20 502
	Correction of Accumulated Depreciation Community Assets 2013/14 see note 39.01( c )	3 417	-
	Correction of Accumulated Depreciation Other Assets Opening balance see note 39.01 ( d )	28 071	28 071
	Correction of Accumulated Depreciation Other Assets 2013/14 see note 39.01( d )	4 046	-
	Correction of Accumulated Depreciation Other assets 2013/14 see note 39.01 ( e )	999	-
	Correction of Other Assets Accumulated Depreciation Opening balance see note 39.01(f)	(79 335)	(79 335)
	Correction of Other Assets Accumulated Depreciation 2013/14 see note 39.01 (f)	(36 911)	-
	<b>Restated Balance</b>	<b>91 419 875</b>	<b>83 099 635</b>
<b>39.04</b>	<b>Payables from Exchange Transactions</b>		
	Balance previously reported	<b>19 628 944</b>	<b>30 248 394</b>
	Correction of Payables from Exchange Transactions Opening balance see note 39.01 (g)	762 594	762 594
	Correction of Payables from Exchange Transactions Opening balance see note 39.01(h)	85 385	85 385
	Correction of Payables from Exchange Opening balance see note 39.01(m)	313 746	313 746
	Correction of Payables from Exchange 2013/14 see note 39.01(n)	23 916	-
	<b>Restated Balance</b>	<b>20 814 585</b>	<b>31 410 120</b>
<b>39.05</b>	<b>Taxes</b>		
	Balance previously reported	<b>(1 002 209)</b>	<b>1 248 175</b>
	Correction of Taxes Opening balance see note 39.01(i)	380 568	380 568
	Correction of Taxes Opening balance see note 39.01(j)	121 594	-
	<b>Restated Balance</b>	<b>(500 048)</b>	<b>1 628 743</b>
<b>39.06</b>	<b>Receivables from Exchange Transactions</b>		
	Balance Previously Reported	<b>23 479 480</b>	<b>19 886 897</b>
	Correction of Receivables from Exchange Transactions Opening balance see note 39.01(i)	(10 616 193)	(10 616 193)
	Correction of Receivables from Exchange Transactions Opening balance see note 39.01(j)	(2 805 746)	-
	<b>Restated Balance</b>	<b>10 057 541</b>	<b>9 270 704</b>
<b>39.07</b>	<b>Receivables from Non-Exchange Transactions</b>		
	Balance previously reported	<b>4 406 732</b>	<b>3 867 434</b>
	Correction of Receivables from Non-Exchange Transactions Opening balance see note 39.01(i)	(857 035)	(857 035)
	Correction of Receivables from Non-Exchange Transactions Opening balance see note 39.01(j)	453 065	-
	<b>Restated Balance</b>	<b>4 002 761</b>	<b>3 010 399</b>
<b>39.08</b>	<b>Inventory</b>		
	Balance previously reported	<b>474 040</b>	<b>1 104 583</b>
	Correction of Inventory 2013/14 see note 39.01(k)	39 230	-
	Correction of Inventory Opening balance - see note 39.01(l)	(102 059)	(102 059)
	<b>Restated Balance</b>	<b>411 211</b>	<b>1 002 524</b>
<b>39.09</b>	<b>Investment Property</b>		
	Balance previously reported	<b>60 275 150</b>	<b>56 490 950</b>
	Correction of Investment Property Opening balance see note 39.01(o)	879 720	879 720
	Correction of Investment Property 2013/14 balance see note 39.01(o)	61 680	-
	Correction of Investment Property Opening balance see note 39.01(p)	997 650	997 650
	Correction of Investment Property 2013/14 balance see note 39.01(p)	247 800	-
	Correction of Investment Property Opening balance see note 39.01(q)	(32 000)	(32 000)
	Correction of Investment Property 2013/14 balance see note 39.01(q)	(51 600)	-
	Correction of Investment Property Opening balance see note 39.01(r)	153 250	153 250
	Correction of Investment Property 2013/14 balance see note 39.01(r)	66 500	-
	Correction of Investment Property 2013/14 balance see note 39.01(s)	(219 750)	-
	<b>Restated Balance</b>	<b>62 378 400</b>	<b>58 489 570</b>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	2015 R	2014 R
<b>40 RECONCILIATION BETWEEN NET SURPLUS FOR THE YEAR AND CASH GENERATED BY OPERATIONS</b>		
Surplus for the year	45 112 414	25 519 975
<b>Adjustments for:</b>		
Depreciation and Amortisation	11 567 081	9 094 157
Gain on disposal of property, plant and equipment	-	(779 177)
Finance Charges - Landfill Sites	1 893 759	1 653 979
Grants received	71 011 751	77 432 976
Grants recognised as revenue	(75 891 800)	(72 592 936)
Debt Impairment	10 016 708	7 380 451
Bad Debts Written off	(4 562 763)	(3 590 769)
Contribution from/to employee benefits - non-current	3 581 475	3 172 750
Contribution from/to employee benefits - non-current - expenditure incurred	(1 332 145)	(991 741)
Actuarial Losses	1 881 691	970 426
Actuarial Gains	(67 468)	-
Contribution to employee benefits – current	4 992 517	4 590 405
Contribution to employee benefits – current - expenditure incurred	(4 405 065)	(4 187 159)
Surplus recognised on changes in landfill site provision estimates	(1 918 847)	(523 981)
Impairment reversal	(59 781)	(23 019)
Operating lease income accrued	7 254	1 073
Loss on disposal of Property, Plant and Equipment	216 229	606 033
Fair value adjustments	(3 591 431)	(3 318 824)
Contribution Property Plant and Equipment	(11 560 003)	-
Operating Surplus before changes in working capital	46 891 576	44 414 620
Changes in working capital	(6 450 081)	(13 965 169)
Increase/(Decrease) in Payables from Exchange Transactions	3 041 903	(10 595 534)
Increase/(Decrease) in Taxes	(222 866)	2 128 790
(Increase)/Decrease in Inventory	(13 354)	489 344
Increase in Receivables from Exchange Transactions	(6 718 749)	(4 662 961)
Increase in Receivables from Non-Exchange Transactions	(2 537 015)	(1 324 809)
<b>Cash generated by operations</b>	<b>40 441 496</b>	<b>30 449 451</b>
<b>41 CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Cash Floats - Note 19	6 150	6 800
Bank - Note 19	10 726 798	3 442 099
Bank Overdraft - Note 19	-	(750 056)
<b>Total cash and cash equivalents</b>	<b>10 732 948</b>	<b>2 698 843</b>
<b>42 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES</b>		
Cash and Cash Equivalents - Note 41	10 732 948	2 698 843
Less:	6 447 587	6 707 663
Unspent Committed Conditional Grants - Note 9	1 458 883	6 338 933
VAT Payable - Note 10	378 704	368 731
Capital Replacement Reserve - Note 2	4 610 000	-
<b>Net cash resources available for internal distribution/(resources utilised for internal distribution)</b>	<b>4 285 361</b>	<b>(4 008 821)</b>
<b>43 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION</b>		
Long-term Liabilities - note 3	30 074 936	34 528 602
Used to finance property, plant and equipment - at cost	(30 074 936)	(34 528 602)
<b>Cash invested for repayment of long-term liabilities</b>	<b>-</b>	<b>-</b>
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Incident	Disciplinary steps/criminal proceedings
Over expenditure on votes	None
Utilisation of grant monies for operational expenditure	None

Opening balance	-	613 189
Fruitless and wasteful expenditure current year	-	-
Condoned by Council on 26 June 2014	-	(613 189)
Transfer to receivables for recovery	-	-
Fruitless and wasteful expenditure awaiting further action	-	-

<b>Incident</b>	<b>Disciplinary steps/criminal proceedings</b>
<i>SARS interest and penalties relating to VAT</i>	<i>None</i>

Opening balance	-	39 081 620
Irregular expenditure current year	-	-
Condonement supported by Council on 26 June 2014	-	(39 081 620)
Transfer to receivables for recovery	-	-
Condonement supported by council	-	-
Irregular expenditure awaiting further action	-	-

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

There were no material water distribution losses during the current and previous financial year.

<b>Electricity distribution losses</b>		
- Units purchased (Kwh)	81 975 912	80 090 501
- Units lost during distribution (Kwh)	13 604 779	16 173 480
- Percentage lost during distribution	16.60%	20.19%

Electricity losses decreased during 2015 financial year due to auditing and installation of new bulk meters

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	2015 R	2014 R			
<b>44.5 Non-Material Losses</b>					
Water distribution losses					
- Kilo litres purchased	3 911 821	4 059 156			
- Kilo litres lost during distribution	377 596	410 907			
- Percentage lost during distribution	9.65%	10.12%			
<b>45 Additional disclosures in terms of Municipal Financial Management Act</b>					
<b>45.1 Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS</b>					
Opening balance	-	-			
Council subscriptions	773 521	701 064			
Amount paid - current year	(773 521)	(701 064)			
Amount paid - previous years	-	-			
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>			
<b>45.2 Audit fees - [MFMA 125 (1)(b)]</b>					
Opening balance	-	-			
Current year audit fee	1 792 274	1 648 425			
External Audit - Auditor-General	1 741 199	1 648 425			
Audit Committee	51 075	-			
Amount paid - current year	(1 792 274)	(1 648 425)			
Amount paid - previous year	-	-			
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>			
<b>45.3 VAT - [MFMA 125 (1)(b)]</b>					
Opening balance	(368 731)	(389 596)			
Amounts received - current year	(1 017 236)	(3 072 826)			
Amounts paid - current year	1 828 067	951 835			
Amounts (received)/paid - previous years	368 731	389 596			
Amounts claimed - current year	(1 189 534)	1 752 260			
<b>Closing balance - (Payable)/Receivable</b>	<b>(378 703)</b>	<b>(368 731)</b>			
VAT in suspense due to cash basis of accounting					
Input VAT	1 871 968	1 142 259			
Output VAT	(1 291 060)	(1 273 576)			
Claimable	<b>580 908</b>	<b>(131 317)</b>			
VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors.					
<b>45.4 PAYE, SDL and UIF - [MFMA 125 (1)(b)]</b>					
Opening balance	714 506	-			
Current year payroll deductions and Council Contributions	10 018 386	8 736 318			
Amount paid - current year	(10 732 892)	(8 021 812)			
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>714 506</b>			
<b>45.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]</b>					
Opening balance	-	-			
Current year payroll deductions and Council Contributions	19 275 340	17 516 896			
Amount paid - current year	(19 275 340)	(17 516 896)			
<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>			
<b>45.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]</b>					
The following Councillors had arrear accounts for more than 90 days during the financial year.	<b>Outstanding more than 90 days</b>	<b>Outstanding more than 90 days</b>			
Councillor F Bam	772	-			
Councillor EL Mqongqi	38 558	45 958			
Councillor M J Smith	626	1 127			
Councillor C v/d Westruis	-	734			
Councillor A Sindiyamba	-	594			
Councillor R Stephan	1 973	1 482			
Councillor PG Bok	-	1 712			
<b>Total Councillor Arrear Consumer Accounts</b>	<b>41 929</b>	<b>51 608</b>			
<b>45.7 Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation (36)(1)(a) &amp; (b)</b>					
	<b>Two Suppliers R</b>	<b>Single Supplier R</b>	<b>Sec 5.27 R</b>	<b>Emergency R</b>	<b>Total R</b>
Jul-14	19 821	286 319	159 037	2 444	467 620
Aug-14	60 533	288 723	112 783	22 934	484 973
Sep-14	101 365	216 718	33 294	23 671	375 048
Oct-14	90 056	115 102	145 278	27 987	378 423
Nov-14	107 693	274 438	24 008	57 644	463 784
Dec-14	54 116	249 070	556 893	2 182	862 261
Jan-15	23 950	220 867	37 401	10 250	292 469
Feb-15	98 940	351 626	327 136	14 798	792 499
Mar-15	36 162	424 275	418 281	30 441	909 159
Apr-15	43 576	188 368	237 697	2 272	471 913
May-15	59 492	471 494	232 235	42 337	805 557
Jun-15	159 184	436 752	603 828	-	1 199 764
	<b>854 888</b>	<b>3 523 752</b>	<b>2 887 870</b>	<b>236 960</b>	<b>7 503 469</b>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	2015 R	2014 R
<b>46 CAPITAL COMMITMENTS</b>		
<b>Commitments in respect of capital expenditure:</b>		
Approved and contracted for:		
Infrastructure	2 992 976	6 191 668
	<b>2 992 976</b>	<b>6 191 668</b>
This expenditure will be financed from:		
Government Grants	2 992 976	6 191 668
	<b>2 992 976</b>	<b>6 191 668</b>

**47 FINANCIAL RISK MANAGEMENT**

The activities of the Municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

**(a) Foreign Exchange Currency Risk**

The Municipality does not engage in foreign currency transactions.

**(b) Price risk**

The Municipality is not exposed to price risk.

**(c) Interest Rate Risk**

As the Municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The Municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The Municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

1% (2014 - 1.0%) Increase in interest rates	(126 712)	(227 244)
0.5% (2014 - 0.5%) Decrease in interest rates	63 356	113 622

**(d) Credit Risk**

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Receivables are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 16 and 17 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

Receivables of R4 million are pledged as security for financial liabilities.

Due to the short term nature of receivables the carrying value disclosed in note 16 and 17 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

	2015 %	2015 R	2014 %	2014 R
<b>The provision for debt impairment could be allocated between the different classes of debtors as follows:</b>				
<u>Non-Exchange Receivables</u>				
Rates	8.09%	3 415 375.08	8.21%	2 980 692
Fines	2.86%	1 208 184	0.57%	208 260
Long Term Receivables	1.27%	537 301	3.06%	1 109 431
	<b>12.22%</b>	<b>5 160 860</b>	<b>11.84%</b>	<b>4 298 384</b>
<u>Exchange Receivables</u>				
Service Charges	87.78%	37 077 675	88.16%	32 006 821
	<b>100.00%</b>	<b>42 238 535</b>	<b>100.00%</b>	<b>36 305 204</b>



**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

	2015 %	2015 R	2014 %	2014 R
<b>The provision for debt impairment could be allocated between the different categories of debtors as follows:</b>				
Water	16.16%	6 825 443	13.45%	4 882 409
Electricity	2.68%	1 130 793	3.93%	1 426 703
Rates	7.98%	3 369 560	8.15%	2 957 356
Rental	0.81%	340 518	0.92%	333 321
Refuse	15.95%	6 737 457	13.82%	5 017 180
Sewerage	19.81%	8 366 222	19.10%	6 932 986
Other exchange	31.44%	13 281 029	35.90%	13 034 254
Loans	1.27%	537 301	1.42%	515 753
Other debtors	0.00%	-	1.64%	593 678
Fines	2.86%	1 208 184	0.57%	208 260
Indigent debtors	1.05%	442 030	1.11%	403 304
	100.00%	42 238 535	100.00%	36 305 204
<b>Bad debts written off per financial asset class:</b>				
	2015 %	2015 R	2014 %	2014 R
Financial instruments at amortised cost	100.00%	4 562 763	100.00%	3 590 769
	100.00%	4 562 763	100.00%	3 590 769
<b>Balances past due not impaired:</b>				
	2015 %	2015 R	2014 %	2014 R
<u>Non-Exchange Receivables</u>				
Rates	31%	1 189 850	32%	937 805
	31%	1 189 850	32%	937 805
<u>Exchange Receivables</u>				
Service Charges	69%	2 698 046	68%	2 018 148
	100%	3 887 896	100%	2 955 952

As at 30 June 2015, trade receivables of R 10 744 051 (2014: R9 711 642) were fully performing

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables, Receivables from Exchange Transactions and Receivables from Non-Exchange Transactions are individually evaluated annually at year end for impairment.

	2015 R	2014 R
Financial assets exposed to credit risk at year end are as follows:		
Long-term receivables	537 301	515 754
Receivables from exchange transactions	11 705 436	10 057 541
Receivables from non-exchange transactions	5 105 169	4 002 761
Cash and Cash Equivalents	10 732 948	3 448 899
	28 080 854	18 024 955

**(e) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The Municipality manages liquidity risk through an on-going review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 2 and 5 years	Between 6 and 10 years	Over 10 years
<b>2015</b>				
Non-current Provisions	-	19 868 596	17 477 991	37 943 038
Capital		15 889 146	11 027 894	17 052 997
Interest		3 979 450	6 450 097	20 890 041
Long Term liabilities	7 736 463	25 243 903	21 179 708	-
Payables from Exchange Transactions	19 902 126	-	-	-
Unspent conditional government grants and receipts	1 458 883	-	-	-
	29 097 471	45 112 499	38 657 699	37 943 038
<b>2014</b>				
Non-current Provisions	-	12 613 363	23 838 972	23 505 971
Capital	-	10 305 680	15 436 872	10 409 224
Interest	-	2 307 683	8 402 100	13 096 747
Long Term liabilities	9 788 445	32 901 228	20 986 499	-
Payables from Exchange Transactions	17 398 622	-	-	-
Unspent conditional government grants and receipts	6 338 933	-	-	-
	33 525 999	45 514 591	44 825 471	23 505 971

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

				2015 R	2014 R
<b>48</b>	<b>FINANCIAL INSTRUMENTS</b>				
	In accordance with GRAP 104 the financial instruments of the Municipality are classified as follows:				
<b>48.1</b>	<b>Financial Assets</b>				
	<b>Financial instruments at amortised cost</b>				
	Long-Term Receivables			154 669	159 969
	Receivables from exchange transactions			11 705 436	10 057 541
	Current Portion of Long-term Receivables			382 632	355 785
	Cash and Cash Equivalents			10 732 948	3 448 899
	<b>Total carrying amount of financial assets</b>			<b>22 975 685</b>	<b>14 022 194</b>
<b>48.2</b>	<b>Financial Liability</b>				
	<b>Financial instruments at amortised cost</b>				
	Long-term Liabilities			30 074 936	34 528 602
	Payables from exchange transactions			23 541 372	20 502 570
	Unspent Conditional Government Grants and Receipts			1 458 883	6 338 933
	Current Portion of Long-term Liabilities			4 439 281	6 013 185
	Cash and Cash Equivalents			-	750 056
				<b>59 514 472</b>	<b>68 133 346</b>
<b>49</b>	<b>STATUTORY RECEIVABLES</b>				
	In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:				
	<b>Taxes</b>				
	Vat Receivable			202 204	-
	Receivables from Non-Exchange Transactions			3 964 714	2 875 920
	<b>Rates</b>				
	Fines			3 190 162	2 768 430
				774 552	107 490
				<b>4 166 918</b>	<b>2 875 920</b>
<b>50</b>	<b>EVENTS AFTER THE REPORTING DATE</b>				
	No such instances				
<b>51</b>	<b>IN-KIND DONATIONS AND ASSISTANCE</b>				
	The Municipality did not receive any in-kind donations or assistance during the year under review.				
<b>52</b>	<b>PRIVATE PUBLIC PARTNERSHIPS</b>				
	Council has not entered into any private public partnerships during the financial year.				
<b>53</b>	<b>CONTINGENT LIABILITIES</b>				
	Attorneys of the municipality, Bradley Conradie Attorneys are busy with an application in the Labour Court, Cape Town to set aside the SALGBC Arbitration award / ruling in 2013/14 in favour of applicant, Ms N Majordana and the municipality might potentially be liable costs of around R77 279 which includes R50 000 in legal fees.				
	The municipality commenced in the latter part of 2013/14 with the audit (moderation) of the outcome of 25 job descriptions being appealed with the potential of either higher or lower task gradings. It must be stressed that this process of appeals were allowed by management contrary to the fact that the Collective Agreement did not make provision for such appeals and or re-evaluation of job descriptions. The audit could potentially be finalised during the 2015/16 financial year by the Western Cape Audit Committee and not Deloitte anymore of which the outcome is unknown and management not being able to place a value to the appeal outcomes and cannot and will only provide for the expenditure in a subsequent budget when such outcome is known.				
<b>54</b>	<b>RELATED PARTIES</b>				
<b>54.1</b>	<b>Related Party Loans</b>				
	Since 1 July 2004 loans to councillors and senior management employees are not permitted.				
<b>54.2</b>	<b>Compensation of key management personnel</b>				
	The compensation of key management personnel is set out in note 28 to the Annual Financial Statements.				
<b>54.3</b>	<b>Other related party transactions</b>				
	The following purchases were made during the year where Councillors or staff have an interest:				
	<b>Supplier</b>	<b>Relationship</b>	<b>Department</b>	<b>Position</b>	
	Autopage Cellular	Owner: Husband - Lize Kleinhans	Finance	Accountant: Salaries	448 854
	Compu Traders	Owner: Son - E Mouton	Local Economic Development	Public Relations Officer	384 484
	HD Meyer	Owner: Husband - Heleen Meyer	Finance	Accountant: SCM + Expenditure	1 338
	K C Verkoeling	Owner: Husband - Liefie van Wyk	Finance	Accountant: Income	-
	MAC Daries	Owner: Daughter - Michinon	Finance	Cashier	5 985
	Sunfox	Owner: Daughter - Michinon	Finance	Cashier	-
					7 067
					23 096
					21 528
	<b>Total</b>				<b>494 816</b>
					<b>397 537</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 55 EXPLANATORY NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL

## 55.1 COMPARISON OF ACTUAL FIGURES vs THE FINAL BUDGET

Statement of Financial Position**Current Assets:**

Cash	Cash position of the Municipality improved throughout
Consumer debtors	The Bad Debt Provision was adjusted upwards in the 2015 financial year to provide more accurately for receivable
Other Receivables	Included in actual amount is Taxes receivable not budgeted for
Inventory	Water inventory was more than anticipated during budget compilation

**Non current assets**

Intangible Assets	Depreciation on Intangible assets not taken into account
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**Current liabilities**

Borrowing	Long Term Liabilities maturing was not taken into account when budget was prepared
Consumer deposits	Growth in consumer deposits was not budgeted for
Trade and other payables	Trade and Other payables are more than anticipated at year end, and includes Unspent Grants not budgeted
Provisions and Employee Benefits	This includes short term portion of Landfill site, not budgeted

**Community Wealth**

Reserves	The actual includes a contribution towards CRR, which was not budgeted for.
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Statement of Financial Performance - Revenue

Rental of facilities and equipment	Due to the economic climate the rentals at facilities etc, were less than anticipated
Interest earned - external investments	Interest on positive bank was more than anticipated. Cash position of the municipality improved in 2014/15
Interest earned - outstanding debtors	Debt Collection measures were stricken and interest levied on all outstanding debt.
Fines	Total Fines issued were more than anticipated and adjusted according to iGrap1
Licences and permits	License and permits were over estimated during the budget process
Other income	Included is Fair Value adjustments and assets contributed from Department of Land Reforms and Namakwa Sands
Gain on disposal of Property, Plant and Equipment	Sold properties were not paid during the 2015 financial year, tender processes were delayed and payment will commence in 2016

Statement of Financial Performance - Expenditure

Debt impairment	Debt Impairment Provision was recalculated on individual bases, and restated in previous financial year. This resulted in a smaller contribution than budgeted in 2015
Contracted services	Service provider for Speed Camera fines were newly appointed and payments have not yet commenced
General Expenses	General expenses lower due to strict cash management and cost saving measures being implemented
Loss on disposal of Property, Plant and Equipment	The Loss on disposal of PPE is due to the Other assets written off during the year. This was not budgeted

Cash Flow Statement

Government - operating	Underperformance on the Provincial Transfers published in the 2014/15 Government Gazette, application for roll-over to 2015/16 was done.
Interest	Actual Interest includes interest levied on outstanding debtors, Tenders were awarded during the last quarter of the financial year, deposits were paid and full payment will only commence in 2015/16 financial year. This also included an industrial property for which environmental impact study is in process
Proceeds on disposal of Assets	
Decrease (Increase) in non-current debtors	Long Term Debtors written off, were not budgeted accordingly during 2014/15
Increase/(decrease) in consumer deposits	Growth in consumer deposits was not budgeted accordingly during the budget process of 2014/15.
Capital assets	Underperformance due to the underspending on the INEP Grant, and the National Transfers withheld during 2014-15 not budgeted for.

## 55.2 COMPARISON OF ADJUSTMENTS BUDGET vs APPROVED BUDGET

Statement of Financial Position**Current Assets:**

Cash	Budget was adjusted to be in line with the final audited AFS 2014
Other Receivables	Budget was adjusted to be in line with the final audited AFS 2014
Current portion of long-term receivables	Budget was adjusted to be in line with the final audited AFS 2014
Inventory	Budget was adjusted to be in line with the final audited AFS 2014

**Non current assets:**

Long-term receivables	Budget was adjusted to be in line with the final audited AFS 2014
Intangible Assets	Budget was adjusted to be in line with the final audited AFS 2014

**Current liabilities:**

Borrowing	Repayments were brought in line with the approved Amortisation tables
Trade and other payables	Budget was adjusted to be in line with the final audited AFS 2014

**Non current liabilities**

Non-Current Provisions and Employee Benefits	Budget was adjusted to be in line with the final audited AFS 2014 and Actuarial Reports issued
--	--

**Community Wealth**

Reserves	Budget was adjusted to be in line with the final audited AFS 2014
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Statement of Financial Performance - Revenue

Interest earned - external investments	Budget was adjusted upwards based on actual forecasted figures more than originally budgeted.
Fines	Fines budgeted brought in line with iGRAP1 - total fines issued must be recognized as revenue.
Government Grants and Subsidies - Operating	Transfers from Provincial Housing Department was excluded from budget as funds are directly paid to the contractor
Other revenue	Included in Adjustment Budget is Admin fees payable by Library Services to the municipality
Government Grants and Subsidies - Capital	Approval granted for the unspent MIG 2014 roll-over, and budgeted accordingly. Also included is additional Provincial Transfers as shown in the Adjusted Government Gazette

Statement of Financial Performance - Expenditure

Debt impairment	An increased by R6 million was budgeted, to provide for the amended recalculation of the Provision for Bad Debts. Also included now is the iGRAP 1 contribution to impairment of Fines
Depreciation & asset impairment	Adjusted upwards to be in line with the actual audited AFS 2014 and actual capital additions

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

**Cash Flow Statement**

**Receipts:**

Government - operating	The Integrated Housing grant was excluded from the budget as no funds will be transferred directly to the municipality
Government - capital	Approval granted for the unspent MIG 2014 roll-over, and budgeted accordingly. Also included is additional Provincial Transfers as shown in the Adjusted Government Gazette
Interest	Interest earned budget adjusted upwards based on actual trend for the first half of the financial year
Decrease/(increase) in non-current receivables	Amount adjusted to be in line with actual audited 2014 AFS

**Payments:**

Finance charges	Finance Charges adjusted downwards as it included non-cash items in original budget
Capital assets	Approval granted for the unspent MIG 2014 roll-over, and budgeted accordingly. Also included is additional Provincial Transfers as shown in the Adjusted Government Gazette
Repayment of borrowing	Capital repayment brought in line with amortisation tables of external loans

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**FINANCIAL SUSTAINABILITY**

Management is of the opinion that the Municipality will continue to operate as a going concern and perform its functions as set out in the Constitution.

**Financial Indicators**

The current ratio improved to 0.69:1 from 0.41:1 in the prior year.

The municipality has budgeted for positive cash flows during 2015/2016 and 2016/2017 amounting to R11 402 000 and R 2 408 000 respectively.

The payables on exchanges transactions increased from 2013/2014 to 2014/15 with R3 041 903

**Other Indicators**

Possible outflow of recourses due the contingent liabilities disclosed in note 53

**APPENDIX A**  
**MATZIKAMA MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2015**

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2014	Balance at 30 JUNE 2014 Restated	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2015
<b>ANNUITY LOANS</b>								
DBSA	10.00%	10096	2015	181 801	181 801	-	181 801	-
DBSA	9.92%	101953	2015	555 559	555 559	-	555 559	-
DBSA	12.27%	102857	2018	1 777 778	1 777 778	-	444 444	1 333 333
DBSA	6.75%	103143(1)	2016	393 520	393 520	-	257 921	135 600
DBSA	6.75%	103143(2)	2018	1 253 208	1 253 208	-	246 736	1 006 472
DBSA	11.14%	103749	2020	10 839 279	10 839 279	-	1 355 573	9 483 706
DBSA	8.57%	WC12007362.1	2021	9 736 308	9 736 308	-	237 144	9 499 164
DBSA	8.57%	WC12007362.2	2031	984 979	984 979	-	95 902	889 077
DBSA	8.82%	1007262	2022 / 2027	11 941 519	11 941 519	-	1 030 633	10 910 885
INCA - Water and Sewerage	9.85%	3156	2015	479 379	479 379	-	479 379	-
ABSA - Water Scheme	9.77%	40-6255-0510	2015	447 260	447 260	-	447 260	-
ABSA - Capital Works 2005/2006	9.15%	40-6512-9293	2016	968 523	968 523	-	484 219	484 304
ABSA - Capital Works 2008/2009	Prime - 2%	40-7292-9600	2018	982 676	982 676	-	211 000	771 676
<b>Total Annuity Loans</b>				<b>40 541 787</b>	<b>40 541 787</b>	<b>-</b>	<b>6 027 570</b>	<b>34 514 217</b>

**APPENDIX B**  
**MATZIKAMA MUNICIPALITY**  
**DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Grant Description	Balance 1 JULY 2014 R	Contributions during the year R	Operating Expenditure during the year Transferred to Revenue R	Capital Expenditure during the year Transferred to Revenue R	Repaid to National/Provincial Revenue fund R	Balance 30 JUNE 2015 R	Unspent 30 JUNE 2015 (Creditor) R	Unpaid 30 JUNE 2015 (Debtor) R
<b>UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS</b>								
<b><u>National Government Grants</u></b>								
Equitable Share	-	39 922 000	(39 922 000)	-	-	-	-	-
Department of Mineral Resources	-	1 500 000	-	(1 085 272)	-	414 728	414 728	-
FMG	-	1 450 000	(1 450 000)	-	-	-	-	-
MIG	4 597 482	20 089 000	-	(22 060 482)	(2 626 000)	-	-	-
MSIG	-	934 000	(663 244)	(95 988)	-	174 768	174 768	-
Neighbourhood Development	369 388	311 000	-	(310 999)	-	369 389	369 389	-
EPWP	-	1 201 000	(1 201 000)	-	-	-	-	-
DWAF	-	1 058 000	-	(1 058 000)	-	-	-	-
<b>Total National Government Grants</b>	<b>4 966 870</b>	<b>66 465 000</b>	<b>(43 236 244)</b>	<b>(24 610 741)</b>	<b>(2 626 000)</b>	<b>958 885</b>	<b>958 885</b>	<b>-</b>
<b><u>Provincial Government Grants</u></b>								
CDW's	147 818	-	(147 818)	-	-	-	-	-
Department of Sport and Culture	1 202 249	-	-	-	(1 202 249)	-	-	-
Library Services	13 984	6 489 000	(5 104 465)	(1 398 519)	-	-	-	-
Provincial FMG	8 012	990 000	(998 012)	-	-	-	-	-
Public Transport Infrastructure	-	46 000	(46 000)	-	-	-	-	-
Municipal Performance Management Grant	-	100 000	(100 000)	-	-	-	-	-
Municipal Capacity Building Grant	-	500 000	-	-	-	500 000	500 000	-
Municipal Infrastructure Support Grant	-	250 000	(7 828)	(242 172)	-	-	-	-
<b>Total Provincial Government Grants</b>	<b>1 372 063</b>	<b>8 375 000</b>	<b>(6 404 123)</b>	<b>(1 640 691)</b>	<b>(1 202 249)</b>	<b>500 000</b>	<b>500 000</b>	<b>-</b>
<b>TOTAL GOVERNMENT GRANTS</b>	<b>6 338 933</b>	<b>74 840 000</b>	<b>(49 640 367)</b>	<b>(26 251 432)</b>	<b>(3 828 249)</b>	<b>1 458 883</b>	<b>1 458 883</b>	<b>-</b>
<b>TOTAL</b>	<b>6 338 933</b>	<b>74 840 000</b>	<b>(49 640 367)</b>	<b>(26 251 432)</b>	<b>(3 828 249)</b>	<b>1 458 883</b>	<b>1 458 883</b>	<b>-</b>

**APPENDIX C(1)- Unaudited  
MATZIKAMA MUNICIPALITY  
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015  
REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)**

Description  R thousand	2014/2015							2013/14
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>Revenue - Standard</b>								
<i><b>Governance and administration</b></i>	98 205	13 642	111 848	118 230	6 382	105.7%	120.4%	93 951
Executive and council	274	101	375	11 660	11 285	3112.7%	4261.7%	439
Budget and treasury office	87 698	12 966	100 665	102 697	2 033	102.0%	117.1%	91 529
Corporate services	10 234	575	10 808	3 872	(6 936)	35.8%	37.8%	1 983
<i><b>Community and public safety</b></i>	18 136	(7 398)	10 739	11 885	1 146	110.7%	65.5%	7 856
Community and social services	6 433	(561)	5 872	5 883	11	100.2%	91.4%	4 030
Sport and recreation	2 479	(35)	2 444	2 174	(270)	88.9%	87.7%	1 889
Public safety	1 481	610	2 091	3 545	1 455	169.6%	239.4%	1 696
Housing	7 743	(7 411)	332	284	(48)	85.4%	3.7%	241
Health	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>	5 405	210	5 615	6 054	439	107.8%	112.0%	5 410
Planning and development	477	7	484	561	77	115.9%	117.6%	588
Road transport	4 928	203	5 131	5 493	362	107.1%	111.5%	4 822
Environmental protection	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>	129 874	2 106	131 980	134 432	2 452	101.9%	103.5%	120 374
Electricity	81 665	4 284	85 949	85 284	(666)	99.2%	104.4%	75 888
Water	14 576	(88)	14 488	17 988	3 500	124.2%	123.4%	14 335
Waste water management	17 899	(2 128)	15 772	15 796	25	100.2%	88.3%	17 262
Waste management	15 734	37	15 771	15 364	(407)	97.4%	97.7%	12 889
<i><b>Other</b></i>	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	251 621	8 561	260 182	270 601	10 420	104.0%	107.5%	227 592
<b>Expenditure - Standard</b>								
<i><b>Governance and administration</b></i>	53 907	10 723	64 630	59 095	(5 535)	91.4%	109.6%	53 154
Executive and council	12 844	185	13 029	11 889	(1 140)	91.2%	92.6%	11 296
Budget and treasury office	26 586	7 232	33 818	31 557	(2 261)	93.3%	118.7%	28 139
Corporate services	14 478	3 306	17 783	15 649	(2 134)	88.0%	108.1%	13 720
<i><b>Community and public safety</b></i>	30 052	(5 530)	24 522	24 128	(393)	98.4%	80.3%	19 613
Community and social services	10 542	1 237	11 779	11 299	(480)	95.9%	107.2%	9 024
Sport and recreation	4 892	62	4 954	4 831	(124)	97.5%	98.7%	4 572
Public safety	6 411	692	7 103	7 483	380	105.4%	116.7%	5 398
Housing	8 207	(7 521)	685	516	(170)	75.2%	6.3%	618
Health	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>	25 002	283	25 286	24 268	(1 018)	96.0%	97.1%	22 489
Planning and development	4 763	605	5 369	4 735	(634)	88.2%	99.4%	3 950
Road transport	20 239	(322)	19 917	19 533	(385)	98.1%	96.5%	18 539
Environmental protection	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>	116 569	2 131	118 700	116 831	(1 869)	98.4%	100.2%	105 700
Electricity	76 886	2 057	78 943	80 494	1 551	102.0%	104.7%	70 203
Water	14 576	1 520	16 096	15 967	(129)	99.2%	109.5%	14 097
Waste water management	10 481	(114)	10 367	9 384	(983)	90.5%	89.5%	10 546
Waste management	14 626	(1 332)	13 294	10 987	(2 307)	82.6%	75.1%	10 854
<i><b>Other</b></i>	1 227	(51)	1 176	1 166	(9)	99.2%	95.1%	1 116
<b>Total Expenditure - Standard</b>	226 757	7 556	234 313	225 489	(8 824)	96.2%	99.4%	202 072
<b>Surplus/(Deficit) for the year</b>	24 864	1 005	25 869	45 112	19 244	174.4%	181.4%	25 520

**APPENDIX C(2)- Unaudited  
MATZIKAMA MUNICIPALITY  
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015  
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)**

Description	2014/15							2013/2014
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b><u>Revenue by Vote</u></b>								
EXECUTIVE AND COUNCIL	271	100	371	11 797	11 426	3179.8%	4353.2%	574
FINANCE	87 698	13 066	100 765	102 697	1 933	101.9%	117.1%	91 529
CORPORATE SERVICES	16 436	(99)	16 337	9 427	(6 910)	57.7%	57.4%	2 437
COMMUNITY SERVICES	29 444	(6 610)	22 834	24 234	1 400	106.1%	82.3%	11 659
TECHNICAL SERVICES	117 772	2 103	119 875	122 446	2 571	102.1%	104.0%	121 393
		-			-	-	-	
		-			-	-	-	
		-			-	-	-	
		-			-	-	-	
		-			-	-	-	
		-			-	-	-	
		-			-	-	-	
		-			-	-	-	
		-	-		-	-	-	
		-	-		-	-	-	
<b>Total Revenue by Vote</b>	<b>251 621</b>	<b>8 561</b>	<b>260 182</b>	<b>270 601</b>	<b>10 420</b>	<b>104.0%</b>	<b>107.5%</b>	<b>227 592</b>
<b><u>Expenditure by Vote to be appropriated</u></b>								
EXECUTIVE AND COUNCIL	16 216	745	16 961	15 245	(1 715)	89.9%	94.0%	14 157
FINANCE	26 636	7 262	33 898	31 557	(2 341)	93.1%	118.5%	28 139
CORPORATE SERVICES	20 915	4 480	25 395	23 153	(2 242)	91.2%	110.7%	15 924
COMMUNITY SERVICES	37 960	(7 906)	30 054	27 573	(2 481)	91.7%	72.6%	28 659
TECHNICAL SERVICES	125 031	2 975	128 006	127 960	(45)	100.0%	102.3%	115 193
		-			-	-	-	
		-			-	-	-	
		-			-	-	-	
		-			-	-	-	
		-			-	-	-	
		-			-	-	-	
		-			-	-	-	
		-			-	-	-	
		-	-		-	-	-	
<b>Total Expenditure by Vote</b>	<b>226 757</b>	<b>7 556</b>	<b>234 313</b>	<b>225 489</b>	<b>(8 824)</b>	<b>96.2%</b>	<b>99.4%</b>	<b>202 072</b>
<b>Surplus/(Deficit) for the year</b>	<b>24 864</b>	<b>1 005</b>	<b>25 869</b>	<b>45 112</b>	<b>19 244</b>	<b>174.4%</b>	<b>181.4%</b>	<b>25 520</b>



**APPENDIX C(3) - Unaudited  
MATZIKAMA MUNICIPALITY  
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015  
REVENUE AND EXPENDITURE  
(EXPENDITURE BY TYPE, AND REVENUE BY SOURCE)**

Description	2014/2015							2013/2014
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>R thousand</b>								
<b>Revenue By Source</b>								
Property rates	31 210	2 861	34 071	32 574	(1 498)	95.6%	104.4%	28 858
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-
Service charges	118 499	7 524	126 023	128 031	2 008	101.6%	108.0%	109 407
Rental of facilities and equipment	4 008	102	4 110	3 342	(768)	81.3%	83.4%	2 626
Interest earned - external investments	190	310	500	939	439	187.9%	494.4%	231
Interest earned - outstanding debtors	1 974	0	1 974	2 396	422	121.4%	121.4%	2 075
Dividends received	-	-	-	-	-	-	-	-
Fines	1 528	617	2 145	3 566	1 421	166.3%	233.4%	1 711
Licenses and permits	1 681	1	1 682	1 125	(557)	66.9%	66.9%	1 067
Agency services	2 000	200	2 200	2 417	217	109.9%	120.8%	2 074
Transfers recognised - operational	56 870	(6 543)	50 327	49 640	(686)	98.6%	87.3%	45 000
Other revenue	2 309	481	2 790	20 321	17 531	728.3%	880.1%	6 171
Gains on disposal of PPE	7 500	-	7 500	-	(7 500)	0.0%	0.0%	779
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>227 768</b>	<b>5 552</b>	<b>233 320</b>	<b>244 350</b>	<b>11 029</b>	<b>104.7%</b>	<b>107.3%</b>	<b>199 998</b>
<b>Expenditure By Type</b>								
Employee related costs	81 980	1 150	83 130	81 364	(1 766)	97.9%	99.2%	74 334
Remuneration of councillors	5 756	0	5 756	5 642	(114)	98.0%	98.0%	5 301
Debt impairment	6 000	6 660	12 660	10 017	(2 643)	79.1%	166.9%	7 380
Depreciation & asset impairment	13 072	(1 300)	11 772	11 567	(205)	98.3%	88.5%	9 094
Finance charges	7 382	555	7 937	7 898	(39)	99.5%	107.0%	7 663
Bulk purchases	69 965	2 700	72 665	73 819	1 154	101.6%	105.5%	66 829
Other materials	-	-	-	-	-	-	-	-
Contracted services	110	-	110	5	(105)	4.2%	4.2%	70
Transfers and grants	937	-	937	928	(8)	99.1%	99.1%	880
Other expenditure	41 556	(2 209)	39 347	34 033	(5 314)	86.5%	81.9%	29 913
Loss on disposal of PPE	-	-	-	216	216	-	-	606
<b>Total Expenditure</b>	<b>226 757</b>	<b>7 556</b>	<b>234 313</b>	<b>225 489</b>	<b>(8 824)</b>	<b>96.2%</b>	<b>-3.9%</b>	<b>202 072</b>
<b>Surplus/(Deficit)</b>	<b>1 011</b>	<b>(2 003)</b>	<b>(993)</b>	<b>18 861</b>	<b>19 854</b>	<b>-1900.3%</b>	<b>1865.7%</b>	<b>(2 073)</b>
Transfers recognised - capital	23 853	3 008	26 861	26 251	(610)	97.7%	110.1%	27 593
Contributions recognised - capital	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>24 864</b>	<b>1 005</b>	<b>25 869</b>	<b>45 112</b>	<b>19 244</b>	<b>174.4%</b>	<b>181.4%</b>	<b>25 520</b>

**APPENDIX C(4) - Unaudited  
MATZIKAMA MUNICIPALITY  
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015  
CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING**

Description  R thousand	2014/2015							2013/2014
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>Capital expenditure - Vote</b>					-	-	-	
<b>Multi-year expenditure</b>					-	-	-	
Executive & Council	100		100	-	(100)	-	-	-
Finance			-	-	-	-	-	-
Corporate			-	-	-	-	-	-
Community Services		4 790	4 790	4 189	(602)	87.4%	#DIV/0!	3 490
Technical			-	-	-	-	-	-
Capital multi-year expenditure	100	4 790	4 890	4 189	(702)	85.7%	4188.8%	3 490
<b>Single-year expenditure</b>								
Executive & Council	311	-	311	314	3	100.9%	100.9%	2 132
Finance	-	-	-	-	-	-	-	190
Corporate	160	-	160	151	(9)	94.6%	94.6%	521
Community Services	1 410	8 839	10 249	1 419	(8 830)	13.8%	100.6%	348
Technical	25 699	(660)	25 039	30 018	4 979	119.9%	116.8%	20 346
Capital single-year expenditure	27 580	8 179	35 759	31 902	(3 857)	89%	116%	23 537
<b>Total Capital Expenditure - Vote</b>	<b>27 680</b>	<b>12 969</b>	<b>40 649</b>	<b>36 091</b>	<b>(4 559)</b>	<b>89%</b>	<b>130%</b>	<b>27 027</b>
<b>Capital Expenditure - Standard</b>					-	-	-	
<b>Governance and administration</b>	571	-	571	465	(106)	81.5%	81.5%	2 843
Executive and council	411	-	411	314	(97)	76.3%	76.3%	2 132
Budget and treasury office	-	-	-	-	-	-	-	190
Corporate services	160	-	160	151	(9)	94.6%	94.6%	521
<b>Community and public safety</b>	1 351	5 379	6 730	5 608	(1 122)	83.3%	415.1%	3 235
Community and social services	1 130	588	1 718	1 419	(299)	82.6%	125.6%	129
Sport and recreation	221	4 790	5 011	4 189	(823)	83.6%	1895.6%	2 887
Public safety	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	220
Health	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	9 706	(1 130)	8 576	7 557	(1 019)	88.1%	77.9%	9 226
Planning and development	-	-	-	-	-	-	-	-
Road transport	9 706	(1 130)	8 576	7 557	(1 019)	88.1%	77.9%	9 226
Environmental protection	-	-	-	-	-	-	-	-
<b>Trading services</b>	16 052	8 720	24 772	22 461	(2 312)	90.7%	139.9%	11 722
Electricity	2 072	36	2 108	1 507	(601)	71.5%	72.7%	1 793
Water	2 606	561	3 167	1 940	(1 227)	61.3%	74.4%	606
Waste water management	11 294	(127)	11 166	10 685	(481)	95.7%	94.6%	9 264
Waste management	80	8 251	8 331	8 329	(2)	100.0%	10411.4%	59
<b>Other</b>			-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	<b>27 680</b>	<b>12 969</b>	<b>40 649</b>	<b>36 091</b>	<b>(4 559)</b>	<b>89%</b>	<b>130%</b>	<b>27 027</b>
<b>Funded by:</b>					-	-	-	
National Government	23 043	2 200	25 243	24 031	(1 212)	95.2%	104.3%	23 276
Provincial Government	810	808	1 618	1 460	(158)	90.2%	180.3%	2 521
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>23 853</b>	<b>3 008</b>	<b>26 861</b>	<b>25 492</b>	<b>(1 370)</b>	<b>95%</b>	<b>107%</b>	<b>25 797</b>
<b>Public contributions &amp; donations</b>	-	-	-	-	-	-	-	-
<b>Borrowing</b>	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>	<b>3 827</b>	<b>9 961</b>	<b>13 788</b>	<b>10 599</b>	<b>(3 189)</b>	<b>76.9%</b>	<b>277.0%</b>	<b>1 230</b>
<b>Total Capital Funding</b>	<b>27 680</b>	<b>12 969</b>	<b>40 649</b>	<b>36 091</b>	<b>(4 559)</b>	<b>89%</b>	<b>130%</b>	<b>27 027</b>

**APPENDIX C(5) - Unaudited  
MATZIKAMA MUNICIPALITY  
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015  
CASH FLOWS**

Description	2014/2015							2013/2014
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>R thousand</b>								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>					-	-	-	
Ratepayers and other	154 260	4 068	158 329	160 142	1 813	101.1%	103.8%	140 599
Government - operating	56 785	(6 458)	50 327	44 760	(5 567)	88.9%	78.8%	49 840
Government - capital	23 853	3 008	26 861	26 251	(610)	97.7%	110.1%	27 593
Interest	190	310	500	3 336	2 836	667.1%	1755.6%	2 306
Dividends	-	-	-	-	-	-	-	-
<b>Payments</b>					-	-	-	
Suppliers and employees	(196 996)	(4 506)	(201 502)	(189 298)	12 205	93.9%	96.1%	(184 835)
Finance charges	(7 382)	3 595	(3 787)	(3 822)	(35)	100.9%	51.8%	(4 173)
Transfers and Grants	(937)	-	(937)	(928)	8	99.1%	99.1%	(880)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>29 774</b>	<b>18</b>	<b>29 791</b>	<b>40 441</b>	<b>10 650</b>	<b>135.7%</b>	<b>135.8%</b>	<b>30 449</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					-	-	-	
<b>Receipts</b>					-	-	-	
Proceeds on disposal of PPE	7 500	-	7 500	-	-	-	-	2 301
Decrease (Increase) in non-current debtors	-	-	-	551	-	-	-	798
Decrease (increase) other non-current receivables	637	(637)	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-
<b>Payments</b>					-	-	-	
Capital assets	(27 680)	(4 678)	(32 358)	(27 800)	4 559	85.9%	100.4%	(26 968)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(19 543)</b>	<b>(5 315)</b>	<b>(24 858)</b>	<b>(27 249)</b>	<b>(2 391)</b>	<b>109.6%</b>	<b>139.4%</b>	<b>(23 869)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					-	-	-	
<b>Receipts</b>					-	-	-	
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	185	(0)	185	869	684	469.5%	468.9%	265
<b>Payments</b>					-	-	-	
Repayment of borrowing	(8 389)	2 376	(6 013)	(6 028)	(14)	100.2%	71.8%	(6 465)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(8 204)</b>	<b>2 376</b>	<b>(5 828)</b>	<b>(5 158)</b>	<b>670</b>	<b>88.5%</b>	<b>62.9%</b>	<b>(6 200)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>2 026</b>	<b>(2 921)</b>	<b>(895)</b>	<b>8 034</b>	<b>8 929</b>	<b>-89.5%</b>	<b>396.5%</b>	<b>380</b>
Cash/cash equivalents at the year begin:	2 954	(255)	2 699	2 699	0	100.0%	91.4%	2 319
Cash/cash equivalents at the year end:	4 980	(3 177)	1 804	10 733	9 599	595.1%	215.5%	2 699

## Annexure B

### Report of the Auditor General

# REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL ON MATZIKAMA MUNICIPALITY

## Report on the financial statements

### Introduction

1. I have audited the financial statements of the Matzikama municipality set out on pages 3 to 73, which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of budget comparison and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No.56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Opinion**

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Matzikama municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

## **Emphasis of matters**

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

## **Significant uncertainties**

8. With reference to note 53 to the financial statements, the municipality could be liable for penalties and other payments. The ultimate outcome of the matter cannot be reasonably determined and therefore no provision for any liability that may result has been made in the financial statements.

## **Restatement of corresponding figures**

9. As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of an error discovered during 2014-2015 financial year in the financial statements of the Matzikama municipality at, and for the year ended, 30 June 2014.

## **Material losses**

10. As disclosed in note 44.4 to the financial statements, material losses of 13 604 779 kwh (16.60%) were incurred during the year under review.

## **Material impairment**

11. As disclosed in note 16 to the financial statements, the municipality has provided for an impairment of R42,2 million (2013-2014: R36,3 million) on receivables from exchange and non-exchange transactions and long term receivables.

## **Additional matters**

12. I draw attention to the matters below. My opinion is not modified in respect of these matters.

## **Unaudited supplementary schedules**

13. The supplementary information set out on pages 74 to 80 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.



## Unaudited disclosure notes

14. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

## Report on other legal and regulatory requirements

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

## Predetermined objectives

16. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priorities presented in the annual performance report of the Matzikama municipality for the year ended 30 June 2015:
- Development priority 1: *Facilitate development and growth of the local economy of the Matzikama municipal area with the intent to create opportunities that will reduce poverty and unemployment* on page 19
  - Development priority 6: *To promote access to adequate, affordable and well maintained municipal basic services* on pages 23 to 25
17. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
18. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priorities. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information (FMPPi)*.
19. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following development priorities:
- Facilitate development and growth of the local economy of the Matzikama municipal area with the intent to create opportunities that will reduce poverty and unemployment.

- To promote access to adequate, affordable and well maintained municipal basic services.

## **Additional matters**

21. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected development priorities, I draw attention to the following matters:

### Achievement of planned targets

22. Refer to the annual performance report on pages 19 and 23 to 25 for information on the achievement of the planned targets for the year.

### Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for *facilitate development and growth of the local economy of the Matzikama municipal area with the intent to create opportunities that will reduce poverty and unemployment and to promote access to adequate, affordable and well maintained municipal basic services*. As management subsequently corrected the misstatements, I did not identify any material findings on the usefulness and reliability of the reported performance information.

### Unaudited supplementary information

24. The supplementary information set out on pages 26 to 95 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.

## **Compliance with legislation**

25. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

## **Internal control**

26. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.



*Auditor-General*

Cape Town

25 November 2015



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*